

IN THE DISTRICT COURT OF LANCASTER COUNTY,
NEBRASKA

**STATE OF NEBRASKA, ex rel.
MICHAEL T. HILGERS, ATTORNEY
GENERAL,**

Plaintiff,

v.

**GATSBY LLC D/B/A WIFI MONEY;
ELIZABETH M. FRIESEN; DBC LIMITED
INC.; NXTLVL SERVICES LLC; KYNCEY
INVESTMENTS, LLC; J&K CAPITAL
INVESTMENTS, LLC; INSPIRED
FREEDOM LLC D/B/A ISOCIAL
MARKETING LLC; AEFRIESEN LLC,
ALEXANDER E. MOELLER-ERAZO;
CHRISTOPHER FREDERICK;
CHRISTOPHER CASEY; KYLE
MCDUGAL; MICHAEL BYARS II; KYLE
MALLIEN; JONATHAN DAVID SAWYER;
MITCH HOLT; MICHAEL WALDING, JR.;
ACE AUTOMATION GROUP, LLC; AND
CARLOS E. COLON DE LA ROSA.**

Defendants.

Case No: CI 24 -

COMPLAINT

COMES NOW, the State of Nebraska, ex rel. Michael T. Hilgers, Nebraska Attorney General, by and through the undersigned attorneys (hereinafter "Attorney General", "State," or "Plaintiff"), and hereby brings this action against the above-named Defendants (hereinafter, "Defendants"), to address a pattern of deceptive and unfair business practices related to the sale of "passive income" services that have resulted in millions in lost savings for Nebraska consumers. The State is seeking to obtain injunctive relief, the refund of monies paid, civil penalties, and other equitable relief to address Defendants' violations

of the Consumer Protection Act, Neb. Rev. Stat. § 59-1601 et seq. (“CPA”) and the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 (“UDTPA”), in connection with the advertisement, marketing, promotion, and sale of Defendants’ e-commerce automation services.

I. INTRODUCTION

1. Defendants have engaged in a pattern of deceptive and unfair business practices whereby they have misled consumers nationwide by promising “financial freedom” through various “passive income” services, resulting in more than \$3 million in lost savings for Nebraska consumers.

2. Shortly after Defendants began offering their “automated” e-commerce store services, it became evident that they did not work and could not actually produce extra income for their clients. Nevertheless, Defendants continued promoting the scheme to consumers via social media and elsewhere, unfairly inducing many consumers to pay tens of thousands of dollars into a scheme that was doomed to fail.

3. Defendants’ scheme was brought to Nebraska by Defendant Elizabeth (Liz) Friesen (“Friesen”), who received commissions each time a consumer wired funds to Defendants. To entice consumers to wire their funds, Friesen made misleading and deceptive claims regarding the breadth and success of Defendants’ “e-commerce automation” schemes.

4. Friesen also misrepresented her own success and finances, flaunting a high-end and wealthy persona online to mislead consumers into believing the services Defendants offered would give consumers access to similar levels of wealth and success. As Friesen is a Nebraska resident, she personally spearheaded much of the harm to Nebraska consumers.

5. After taking money from Nebraska consumers, Defendants spent the funds on luxury vacations in exotic locales, Lamborghinis, Cadillac Escalades, and other high-end vehicles, multi-million-dollar mansions, jewelry, designer clothing, private airplanes, a lakehouse, and countless other extravagances. Defendants then used their lavish lifestyles to lure more consumers into the scheme by

posting social media content of themselves enjoying the fruits of their misdeeds and deceptions. Defendants concealed the fact that their lifestyles were being financed by millions in lost savings from consumers nationwide, including many consumers in Nebraska.

6. Defendants also took advantage of the confusion and uncertainty that accompanied the Covid-19 pandemic, including the sudden explosion in online shopping brought on by business closures and the financial uncertainties that came with an unprecedented global pandemic.

7. At least 60 Nebraska consumers have each paid Defendants tens of thousands of dollars to set up and manage e-commerce stores on Amazon and Walmart.com, resulting in millions in lost savings for Nebraska consumers. Each of the consumers who paid Defendants lost at least \$15,000, and several lost more than \$100,000.

8. The Attorney General seeks to put a stop to Defendants' "passive income" schemes (which are further detailed below), restore all funds to victims, and penalize those who enriched themselves off deceiving Nebraska consumers and preying on consumers during vulnerable periods of financial uncertainty. The Attorney General believes preventing Defendants from engaging in future unfair and deceptive practices is crucial for consumer safety and justice.

A. DROPSHIPPING

9. The "automated" e-commerce store services promoted by Defendants involved an online sales technique known as "dropshipping," where a business or individual opens an online store and lists items for sale from other online retailers. When a customer purchases an item from a dropshipper, the dropshipper purchases the item from a third-party retailer and has the item shipped directly to the customer.

10. Dropshippers aim to identify products being sold by online retailers that could be re-sold somewhere else at a profit. The dropshipper's buyer pays a higher price for the item than the dropshipper, and the dropshipper pockets the difference.

11. Dropshipping has many flaws, not the least of which is the fact that customers can simply pay the lower price from the third-

party retailer instead of purchasing it from the dropshipper.

12. The practice is also risky because the dropshipper has no visibility into the third-party retailer's operations. For example, the dropshipper is unable to ensure that a customer actually receives what he or she ordered. The dropshipper's customers often purchase items that are no longer in stock, or the third-party retailer may inadvertently ship the wrong item.

13. The industry is also highly competitive, which makes profit margins negligible or nonexistent. When returns, shipping, and marketing costs are factored in, turning a profit through dropshipping becomes extremely difficult.

14. Moreover, many dropshippers set up third-party storefronts through Amazon, Walmart.com, and other reputable e-commerce platforms. When a customer purchases an item from a dropshipper's store, they expect to receive the item from that store or from the e-commerce platform it was purchased from. Customers become confused when they receive an item from a third-party, which leads to high return rates and negative reviews. e-Commerce platforms often deactivate dropshippers' stores because of these and many other issues, which harm their customers and therefore their brand, reputation, and goodwill with consumers.

15. To be successful and comply with e-commerce platform policies, legitimate dropshippers must have relationships with suppliers and make it clear to buyers where purchased items will be delivered from.

16. Dropshipping "gurus" who do not have relationships with suppliers often infringe on trademark and copyright protections by copying images or descriptions without permission, which violate e-commerce platform policies and the law. This and many other issues cause the stores they manage to be suspended and eventually terminated permanently.

17. Dropshipping has little-to-no barrier of entry, which increases competition and further erodes profit margins. This and many other factors make it very difficult to earn meaningful amounts

of income through dropshipping.

B. WIFI MONEY

18. Defendants Friesen, Alexander (Alex) Moeller-Erazo (“Moeller”), Christopher Frederick (“Frederick”), and Christopher Casey (“Casey”) (collectively, the “WiFi Money Defendants”) flaunt extravagant lifestyles on social media through carefully choreographed photographs of themselves with high-end cars and private jets, wearing expensive jewelry and designer clothing, and taking luxury vacations in exotic locales.

19. Unless otherwise stated, at all times material herein the WiFi Money Defendants acted as agents on behalf of Gatsby LLC d/b/a WiFi Money (“WiFi Money”). Friesen also acted in her capacity as an owner of AEFriesen LLC (“AEFriesen”).

20. The WiFi Money Defendants claim they are “paid to live” and their expensive lifestyles are financed by their work for WiFi Money, which is owned by Moeller and Frederick.

21. From 2019 to 2022, the WiFi Money Defendants lured consumers from all over the country to purchase “e-commerce automation services” through Defendants NXTLVL Services LLC (“NXTLVL”), Kyncey Investments, LLC (“Kyncey”), J&K Capital Investments, LLC (“J&K Capital”), DBC Limited Inc. (“DBC Limited”), and ACE Automation Group LLC (“ACE Group”) (collectively, the “Dropshipping Defendants”).

22. For each consumer who purchased the Dropshipping Defendants’ services, WiFi Money received half of the consumer’s initial start-up fee, which ranged from \$15,000 to \$55,000. The remaining funds would be pocketed by the Dropshipping Defendants and their principals.

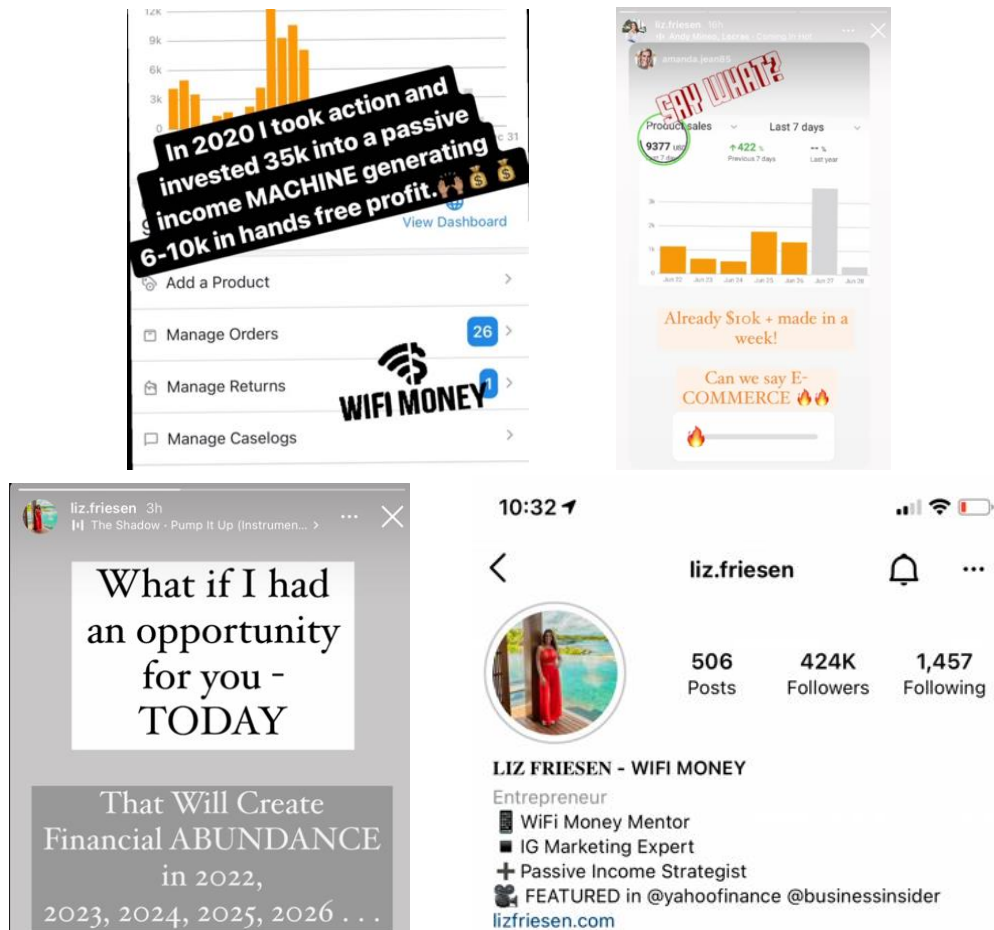
23. The WiFi Money Defendants fooled Nebraska consumers into believing their lavish lifestyles were financed by their own “automated” dropshipping stores, and they too could get “paid to live” by wiring a one-time start-up fee to the Dropshipping Defendants.

C. ELIZABETH “LIZ” FRIESEN

24. In or around the fall of 2019, WiFi Money recruited Friesen—a Nebraska resident—to become an “affiliate” for WiFi Money and trained her to recruit Nebraska consumers to pay large sums of cash for the “paid to live” services WiFi Money promoted.

25. Friesen, Casey, Inspired Freedom LLC d/b/a iSocial Marketing (“iSocial”), AEFriesen, and the owners of WiFi Money earned commissions for every consumer Friesen signed up to purchase services from the Dropshipping Defendants.

26. Friesen branded herself as a “WiFi Money Mentor” and “Passive Income Strategist” who could help her followers “create financial abundance” and earn “hands free profit” through the “passive income machine” she was promoting:



27. As a WiFi Money “Mentor,” Friesen worked directly underneath Casey, who was WiFi Money’s Chief Operating Officer (“COO”) and the owner of Defendant iSocial.

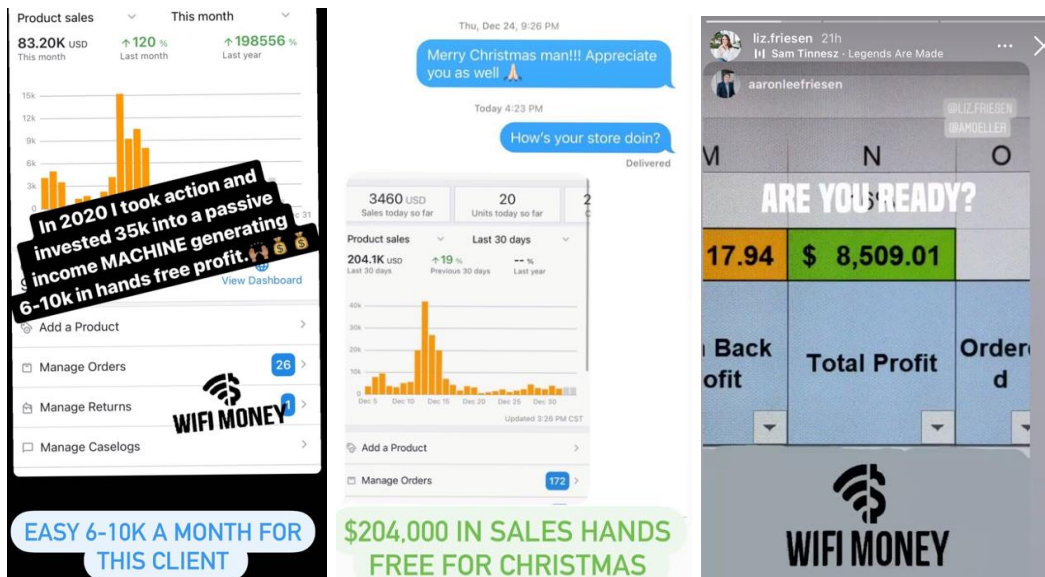
D. DECEPTIVE AND UNFAIR SALES TECHNIQUES

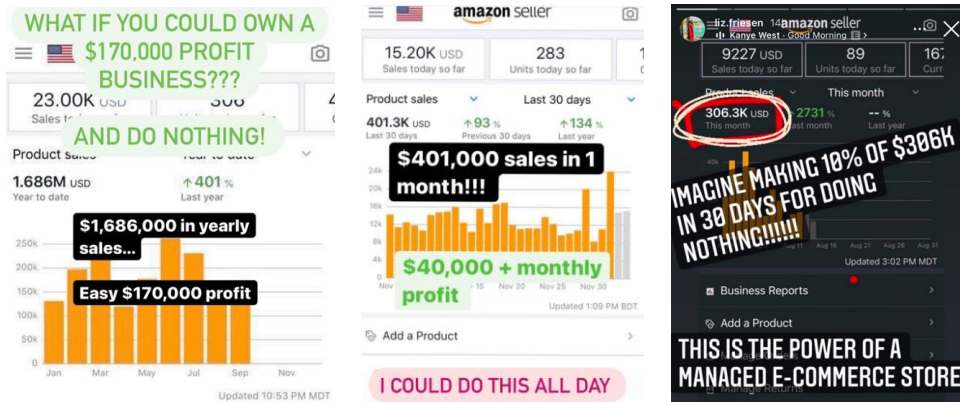
28. The services offered by the Dropshipping Defendants involved setting up third-party storefronts for Nebraska consumers on Amazon or Walmart.com. Both online retailers allow independent or third-party sellers to sell goods on their platforms, subject to their respective terms and policies.

29. Nebraska consumers who paid for Defendants’ services were instructed to set up stores through Amazon or Walmart.com, then open a credit card that would be used to purchase store inventory. The Dropshipping Defendants were then given access to the consumers’ credit cards, ostensibly to purchase inventory for their stores.

30. Many consumers had fraudulent charges appear on their credit cards while the Dropshipping Defendants had access to them.

31. To induce consumers to buy into the scheme, Friesen and Casey told consumers they would earn as much as \$10,000 or more per month in “passive income.” They also said the profit margins from consumers’ stores would be at least 10% of gross sales:



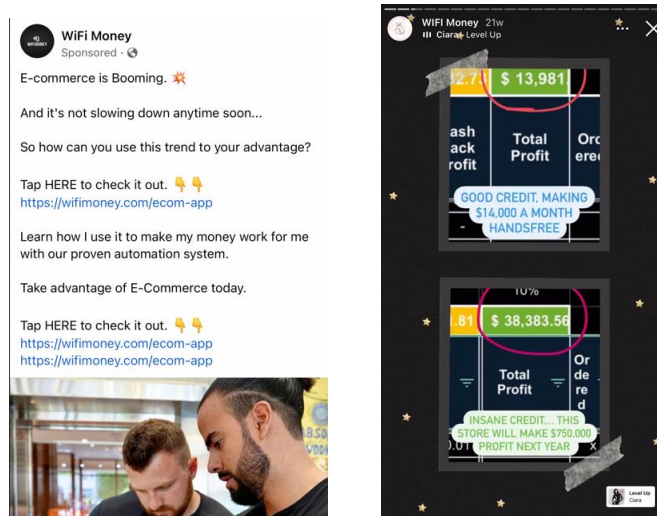


32. In reality, the consumers who paid Defendants either earned no profit at all, or lost money due to items being sold at a loss.

33. Friesen and Casey led Nebraska consumers to believe the Dropshipping Defendants had a proven track record of success and reliable systems in place that were certain to produce extra income for their clients.

34. Critically, however, the Dropshipping Defendants had only been in operation for a short period of time and did not have proven systems that could perform the services they were offering.

35. WiFi Money claimed it had a “proven [e-commerce] automation system” that would put its clients’ money to work for them:



36. Friesen and Casey told consumers their stores would be “hands free,” “fully outsourced,” and “done for them.”

37. These claims were highly misleading as consumers were left to manage the stores on their own due to gross neglect and mismanagement by the Dropshipping Defendants.

38. For example, the Dropshipping Defendants frequently listed items for sale without permission from suppliers, resulting in legal notices sent to Nebraska consumers demanding that they discontinue sales of certain products. Nebraska consumers were left to respond to these and many other problems on their own.

39. For consumers who had stores set up on Amazon, their stores would almost immediately be flagged by Amazon due to high order defect rates, negative customer reviews, high return rates, order cancellations, unfilled orders, fraudulent credit card charges, sale of counterfeit goods, fake tracking numbers, and many other problems.

40. Due to the suspicious activity, Amazon froze funds in consumers' accounts, forcing Nebraska consumers to pay off large credit card bills out of their own pockets, which led to hundreds of thousands more in lost savings for Nebraska consumers.

41. Consumers eventually discovered that Amazon froze their funds if their store manager engaged in deceptive, fraudulent, or illegal activity or if the manager abused Amazon's systems or repeatedly violated Amazon's policies.

42. Friesen and Casey encouraged some Nebraska consumers to take out high interest loans to finance the fees they paid to the Dropshipping Defendants. When their stores did not earn the profits they were promised, Nebraskans were left to pay back the loans and thousands in interest out of their own pockets.

43. One Nebraska consumer had to refinance her home to pay off the loan she obtained at Friesen's urging.

44. Another consumer was forced to use the proceeds from the sale of her home and an early distribution from a retirement account to pay back unpaid credit card balances and the loans Friesen encouraged her to obtain.

45. Many consumers paid the Dropshipping Defendants after Friesen rushed them to wire funds to take advantage of unique sales

opportunities like Amazon’s Prime Day, Black Friday, back to school, or the holiday season, only to not have a store set up by the time those sales opportunities came around.

46. Furthermore, Friesen and Casey assured consumers they would receive a refund if they were unhappy with the Dropshipping Defendants’ services. According to Friesen and Casey, the opportunity carried little-to-no risk because of the money back guarantee.

47. However, the contracts signed by Nebraska consumers contained provisions stating that no refund would be given until 14 to 17 months after their stores were opened, and any periods of time the stores were “deactivated” or “suspended” did not count toward the refund period. Defendants concealed the fact that deactivations and suspensions were a near certainty, making the refund “guarantees” meaningless.

48. After months of headaches and no “passive income” to show for their time, effort, and money spent, many consumers finally asked Defendants for the refunds they were promised. They were told, however, that since their stores were deactivated or suspended, they were not eligible for a refund.

49. None of the Nebraska consumers who paid Defendants received the refund they were promised, even though all of them either earned no money or lost money through their stores.

E. WIFI MONEY’S *MODUS OPERANDI*

50. Friesen and Casey were not the only WiFi Money affiliates using misleading sales techniques to entice consumers. WiFi Money and several of its affiliates have been sued by “clients” in lawsuits across the country—including 31 plaintiffs in a suit in Florida—alleging fraudulent inducement and misrepresentations.

51. The plaintiffs in these lawsuits allege that WiFi Money and its affiliates—including Friesen, Moeller, Willy Moeller, Frederick, Casey, Todd Cahill, and Jonathan Sawyer (“Sawyer”)—promised “passive income” of \$5,000 to \$10,000 or more per month selling goods

online, and money back guarantees if their stores do not work out. These promises, they allege, never came to fruition.

52. The Federal Trade Commission’s online Consumer Sentinel Network contains complaints from at least ninety consumers nationwide since April 2020 against the WiFi Money Defendants and their business partners. These consumers report the familiar misleading promises of financial freedom, passive income, and empty refund guarantees.

53. The misleading statements Friesen and Casey peddled to Nebraska consumers were not unique to them. They were the *modus operandi* for WiFi Money and its affiliates.

54. To add insult to injury, when it was all said and done, Defendants divvied up the savings they took from Nebraska consumers amongst themselves. And instead of using the funds to make good on their promises or pay back losses, they pocketed the money and splurged on luxury vacations, Lamborghinis, McLarens, Cadillac Escalades, a Porsche, multi-million-dollar mansions, a boat, private airplanes, jewelry, [REDACTED], designer clothing, a lakehouse, and countless other extravagances.

55. Defendants continue to flaunt their “success” on social media to lure other consumers to pay them for an endless stream of “easy money” opportunities. Since giving up on their dropshipping scheme, the WiFi Money Defendants have moved on to selling cryptocurrency and helping clients apply for the federal government’s Self-Employment Tax Credit, Employee Retention Credit, and Paycheck Protection Program loans. All three programs have been hotbeds for scammers trying to take advantage of pandemic-era relief programs.

56. Several of the WiFi Money Defendants are currently promoting a high-end real estate “opportunity” that promises to make their followers rich—if they have enough cash to buy into the scheme.

57. In an Instagram post from August 13, 2024, a WiFi Money affiliate named Willy Moeller invited his followers with “a large social media presence” to send him a direct message with the word

“Money” to take advantage of a “7 figure opportunity[.]” The post does not elaborate on what the opportunity entails or how it could make his followers any money.

58. Defendant Moeller recently invited his followers with “liquidity” to send him a direct message with the word “PARTNER” to “partner with [WiFi Money] on the biggest business yet[.]”

59. The Moellers each have large followings on Instagram that include many consumers in Nebraska.

II. AUTHORITY & PUBLIC INTEREST

60. The Nebraska Attorney General is responsible for enforcement of the CPA, UDTPA, and other state and federal laws that affect Nebraska consumers.

61. Under Neb. Rev. Stat. § 59-1608 the Attorney General may bring an action in the name of the State of Nebraska against any person to restrain and prevent the doing of any act prohibited by the CPA.

62. Under Neb. Rev. Stat. § 87-303.05, the Attorney General may apply for and obtain, in an action in any district court of Nebraska, a temporary restraining order, or injunction, or both, prohibiting such person from engaging in any deceptive trade practices or engaging therein, or doing any act in furtherance thereof.

63. The Attorney General has reasonable cause to believe that Defendants have violated the CPA and UDTPA and brings this action in the public interest because Defendants have deceived, misled, and caused financial harm to consumers from Nebraska and other states.

64. The Attorney General believes this action to be in the public interest of the citizens of the State of Nebraska and brings this lawsuit pursuant to the CPA, the UDTPA, and his statutory and common law authority, powers, and duties.

PARTIES

65. The State of Nebraska, by and through its Attorney General and on behalf of all of Nebraska’s citizens and consumers, is

the Plaintiff in this action.

66. The Attorney General of Nebraska is Nebraska's Chief Law Enforcement Officer. The Attorney General is expressly authorized to enforce Nebraska's consumer protection laws, including both the Consumer Protection Act and the Uniform Deceptive Trade Practices Act. Neb. Rev. Stat. § 59-1608(1); 87-303.05(1).

67. In addition to that express statutory authority, the Attorney General has standing to bring a legal action, in the name of the State, when the object of that action is a suit to vindicate the public interest. *See, State ex rel. Meyer v. Peters*, 188 Neb. 817, 819-21, 199 N.W.2d 738, 739-41 (1972); *State v. Pacific Express Co.*, 80 Neb. 823, 115 N.W. 619, 620-23 (1908).

68. WiFi Money is a Florida limited liability company with its principal office in Sunrise, Florida. The owners of WiFi Money have formed several other business entities to carry out their operations, including without limitation: Thunder Marketing LLC, AEM Global LLC, Gatsby Operations LLC, WiFi Money Air LLC, WiFi Money Experience LLC, WiFi Money Mountain Rentals LLC, and Money Inner Circle LLC. The exact ownership structure of these entities and their relationship with one another are unknown to Plaintiff, but each of the entities acted as the alter ego of the other, and they operated as a single business enterprise that will be referred to herein as "WiFi Money." WiFi Money personally availed itself of the privileges of conducting business in the State by, among other things, assisting Friesen in her efforts to induce Nebraska consumers to pay millions of dollars to the Dropshipping Defendants.

69. Friesen currently resides in Hampton, Hamilton County, Nebraska. On information and belief, Friesen was a resident of Nebraska at all times relevant to the conduct detailed in this action. Friesen regularly conducted business in Nebraska and the harms she perpetrated on consumers arose from conduct carried out in Nebraska, much of which affected Nebraska consumers.

70. DBC Limited, Inc. is a now-dissolved Canadian company that was registered in Wyoming and had its principal place of business

in Calgary, Alberta, Canada. The company has operated under a variety of iterations of the same or similar names, including without limitation DBC Limited LLC, DBC Contracting & Pipeline Services Ltd., and DBC Solutions Ltd. The complete details of the corporate structure of these entities and their relationships with one another are unknown to Plaintiff, but the entities were alter egos of each other and acted as a single business enterprise that will hereinafter be referred to as “DBC Limited.” DBC Limited purposefully availed itself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for its dropshipping services.

71. NXLVL Services LLC is a now-dissolved Florida limited liability company with its principal place of business in Jacksonville, Florida. NXLVL purposefully availed itself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for their dropshipping services.

72. Kyncey Investments, LLC is a now-dissolved Florida limited liability company with its principal place of business in Odessa, Florida. Kyncey purposefully availed itself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for their dropshipping services.

73. J&K Capital Investments, LLC, is a Florida limited liability company with its principal place of business in St. Petersburg, Florida. J&K Capital purposefully availed itself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for dropshipping services.

74. Inspired Freedom LLC d/b/a iSocial Marketing LLC is a Florida limited liability company with its principal place of business in Lakewood Ranch, Florida. iSocial purposefully availed itself of the privileges of conducting business in the State by, among other things, receiving commissions from payments they encouraged Nebraska residents to make to the Dropshipping Defendants.

75. AEFriesen LLC is a Nebraska limited liability company with its principal place of business in Hamilton County, Nebraska.

76. ACE Automation Group LLC is a Florida limited liability

company with its principal place of business in Oxford, Florida. ACE Group purposefully availed itself of the privileges of conducting business in the State by, among other things, inducing at least one Nebraska consumer to pay for their dropshipping services.

77. On information and belief, Alex Moeller currently resides in Southwest Ranches, Florida. Moeller purposefully availed himself of the privileges of conducting business in the State by, among other things, helping Friesen recruit consumers on behalf of WiFi Money.

78. On information and belief, Christopher Frederick currently resides in Bradenton, Florida. Frederick purposefully availed himself of the privileges of conducting business in the State by, among other things, personally inducing at least two Nebraska consumers to pay at least \$65,000 into WiFi Money's "passive income" schemes.

79. On information and belief, Christopher Casey currently resides in Sarasota, Florida. Casey purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for dropshipping services.

80. On information and belief, Kyle McDougal currently resides in Tampa, Florida. McDougal purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for dropshipping services.

81. On information and belief, Jonathan David Sawyer currently resides in Southwest Ranches, Florida. Sawyer purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay J&K Capital for dropshipping services. On information and belief, Sawyer was a WiFi Money affiliate who, unless otherwise stated, acted as an agent on behalf of WiFi Money at all relevant times herein.

82. On information and belief, Mitch Holt ("Holt") currently resides in Calgary, Alberta, Canada. Holt purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska residents to pay for dropshipping services.

83. On information and belief, Michael Walding, Jr. ("Walding, Jr."), is a Florida resident, but recently absconded from the

United States and now resides overseas. Walding, Jr., purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for NXTLVL’s dropshipping services.

84. On information and belief, Kyle Mallien (“Mallien”) currently resides in Carlsbad, California. Mallien purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for dropshipping services.

85. On information and belief, Michael Byars II (“Byars”) currently resides in Gaffney, South Carolina. Byars purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing Nebraska consumers to pay for Kyncey’s dropshipping services.

86. On information and belief, Carlos E. Colon de la Rosa (“Colon”) currently resides in Oxford, Florida. Colon purposefully availed himself of the privileges of conducting business in the State by, among other things, inducing at least one Nebraska consumer to pay for ACE Group’s automated e-commerce services.

87. Defendants’ continuous, systematic use of, and collaboration with Friesen, a Nebraska resident, to push their schemes, shows their conduct was targeted at Nebraska residents.

III. FACTS

88. The State of Nebraska realleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

A. WIFI MONEY TRAINS LIZ FRIESEN TO PROMOTE PASSIVE INCOME SERVICES TO NEBRASKANS

89. In or around November 2019—at the onset of the Covid-19 pandemic—Friesen traveled to Sarasota, Florida, to visit Defendant Casey. During this visit, Casey, acting in his capacity as WiFi Money’s COO and the owner of iSocial, recruited Friesen to become an

“affiliate” for WiFi Money.

90. WiFi Money trains its affiliates to create a social media brand and helps them grow their following on Instagram.

91. Once an affiliate has a sizable Instagram following, WiFi Money trains the affiliate to post “lifestyle” content on their page to attract new followers to their profile.

92. Next, WiFi Money’s affiliates are trained to use their following and the lifestyle “brand” they create to entice others to purchase WiFi Money’s “#paidtolive” services.

93. In a recorded training video from August 2021, Alex Moeller told a group of prospective WiFi Money affiliates that “people wanna see you make money, bro. People wanna work with people with money, that’s just the reality. Where do girls get ... their boobs done? That doctor that’s got all the clout, and he’s got the Ferrari, and he’s got the fuckin’ mansion. People LOVE lifestyle.”

94. WiFi Money trains its affiliates to mislead their social media followers by posting content that makes them appear wealthier and more successful than they actually are.

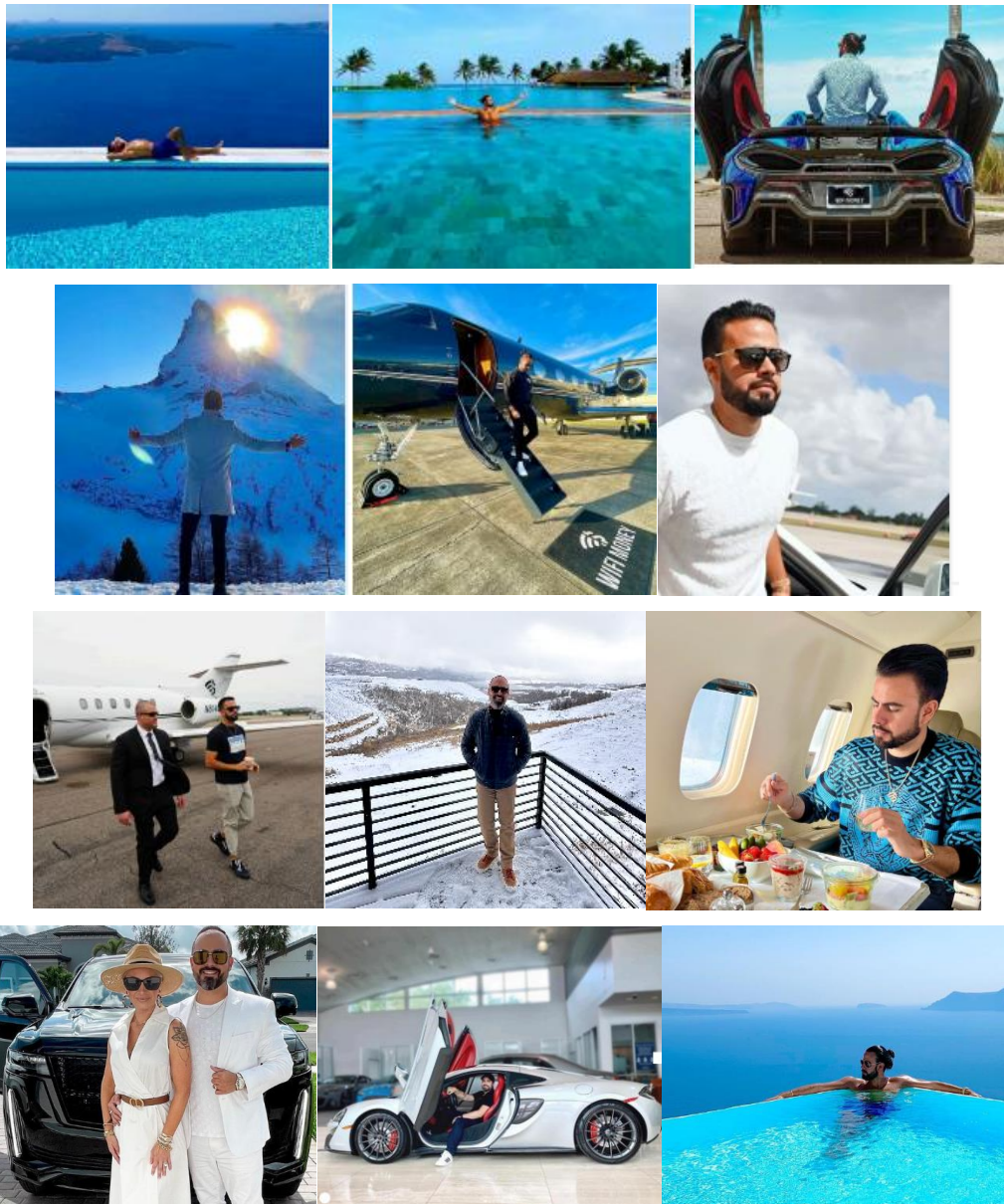
95. Moeller brags that he achieved a large Instagram following (currently around two million followers) by repeatedly following random Instagram accounts for hours on end, then unfollowing those accounts after a period of time. He claims a percentage of the accounts followed him back, making him appear more popular than he actually was. Moeller claims he used this strategy to boost his credibility and make his followers believe he was a social media “influencer.”

96. In addition to this tactic, Moeller posted photographs of himself in luxury settings to create an aura of wealth and success, thereby luring his followers to inquire about the “#paidtolive” services he promoted. WiFi Money trained its affiliates to use these techniques to create a misleading impression of business acumen.

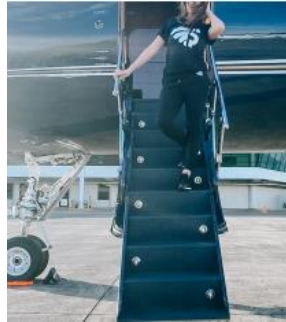
97. In another training video, Moeller told prospective affiliates to “build that credibility, build that trust through your stories, and really get that person interested to the point where you

can just go on a 20-minute call and pick ‘em apart and close the deal[.]”

98. The WiFi Money Defendants have used these strategies to trick their followers into believing they are wildly successful, and their followers can share in their excesses by forking over large sums of cash to WiFi Money and its business partners. Several Instagram posts from the WiFi Money Defendants and other WiFi Money affiliates appear below:



99. After Friesen’s meeting with Casey in or around November 2019, she implemented the techniques she learned from her training with WiFi Money and began posting “lifestyle” content on her Instagram page, for example:



100. Friesen calls the strategy she learned from WiFi Money “attraction marketing.” She used the strategy to convince Nebraska consumers she was a successful entrepreneur who was making significant amounts of money through dropshipping with WiFi Money.

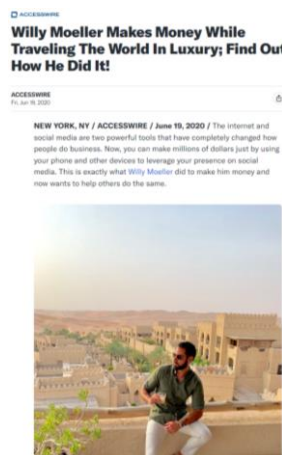
101. As she learned through her training with WiFi Money, Friesen would “build that credibility” through her social media content and get her followers interested in passive income “to the point where [she could] just go on a 20-minute call and pick ‘em apart and close the deal[.]” Friesen successfully implemented this strategy with at least 57 Nebraska consumers, leading to millions in lost savings.

102. In addition to their social media strategies, the WiFi Money Defendants used PR firms to have articles published about themselves through online publications to create a patina of credibility.

103. In one of WiFi Money’s training videos, Moeller explained that once an affiliate established a large following on Instagram, “you begin doing a bunch of PR about you, written articles about you.”

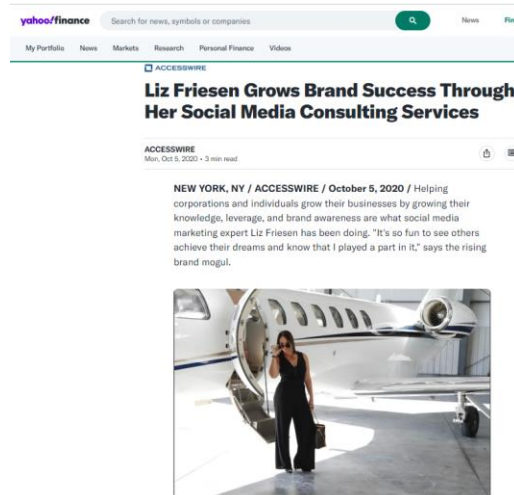
104. WiFi Money used this strategy to boost the credibility of Willy Moeller (a WiFi Money affiliate), who orchestrated the publication of a press release about himself on www.accesswire.com on June 19, 2020. The press release boasted that Willy was running “multiple multi million (*sic.*) dollar online businesses” and was making “millions of dollars from anywhere in the world, including on vacation.”

105. The press release was auto-published by Yahoo! Finance the same day with a photo of Willy in an idyllic vacation setting:



106. A few months later, WiFi Money used the same strategy to boost Friesen’s credibility in the minds of Nebraska consumers. Defendants iSocial and Casey, as agents on behalf of WiFi Money, hired a PR firm to publish a press release on www.accesswire.com on October 5, 2020, describing Friesen as a “seven-figure online business powerhouse” who was “sharing her business knowledge and expertise to empower other entrepreneurs in their journey.”

107. The Friesen press release was auto-published by Yahoo! Finance and Business Insider the same day with a photograph of Friesen standing in front of a private jet:



108. Friesen provided the same photograph to the Aurora News-Register for publication alongside an article about her newfound success with WiFi Money on October 27, 2020.

109. In describing her sales strategy, Friesen told the Aurora News-Register that “people gravitate toward you because of your confidence” and they will “implement what you are doing because you are saying it works.” Nevermind the fact that the services she promoted did not actually “work.”

110. There was no jet ride that preceded or followed the photograph that appeared in these publications. The owner of the jet allowed Friesen to borrow his hangar and take photographs with the jet in the background free of charge.

111. The publication of the articles and the photo with the jet were part of WiFi Money’s strategy to construct a misleading appearance of business expertise and credibility that caused Nebraska consumers to misplace their trust in Friesen and WiFi Money.

112. WiFi Money provided marketing materials to Friesen that were intended to be disseminated to Friesen’s social media followers, many of whom were Nebraska residents.

113. WiFi Money also helped Friesen boost her following and engagement on Instagram to enable her to promote WiFi Money’s passive income services to Nebraskans more effectively.

114. Unfortunately, the marketing techniques Friesen learned from WiFi Money were very effective. Many Nebraska consumers who lost money with WiFi Money reported that Friesen’s social media content convinced them she was a successful entrepreneur who could help them achieve their financial goals.

115. Starting in early 2020 and over the course of the next 4+ years, Friesen used the full arsenal of strategies she learned through her training with WiFi Money to lure Nebraska consumers into WiFi Money’s schemes, thereby lining the pockets of WiFi Money and its owners with the hard-earned savings of Nebraska consumers. In doing so, Friesen worked closely with Moeller and Casey, who routinely assisted Friesen in her efforts to recruit Nebraska consumers.

B. THE WIFI MONEY DEFENDANTS START LURING NEBRASKA CONSUMERS ON BEHALF OF NXTLVL

116. In or around January 2020—as the Covid-19 virus was making its way into the United States—the WiFi Money Defendants started luring consumers all over the country to “partner” with NXTLVL to open “automated e-commerce” stores to take advantage of the explosion in online shopping brought on by pandemic era lockdown orders. Friesen was the beachhead WiFi Money would use to make inroads into the homes of unsuspecting Nebraska consumers.

117. In January 2020, Friesen announced in an Instagram post she was now earning money from her phone and paying off debt

with “multiple streams of income.” She claimed that earning money this way had “never been easier[.]”

118. In March 2020, Friesen proclaimed in another post that “EVERYONE can do this with us[.]” She continued: “If you are ready to make money off your phone, to literally have time and financial freedom for your family, to travel, for retirement ... whatever your goals are IT IS TIME!”

119. Friesen used the training she learned from WiFi Money to “build credibility” with her followers by posting glamorous photographs in exotic locales. She also used the tricks she learned from WiFi Money to grow a large Instagram following, which now sits at 456,000.

120. Friesen exclaimed in a post on May 7, 2020, that since the beginning of the pandemic she helped many businesses “take their businesses to the next level[.]” She claimed that “[w]hen you hire an expert like [her], you are shortening the learning curve so you can start making money faster!”

121. Friesen also posted misleading screenshots to her social media accounts purporting to show profits she and her clients were earning from their NXTLVL stores. On information and belief, some or all of these screenshots were given to Friesen by Moeller and Sawyer for the purpose of misleading Nebraska consumers about dropshipping’s track record of success.

122. In early 2020, when one of Friesen’s followers expressed interest in hands-free income, she would direct them to purchase dropshipping services through NXTLVL, which was owned by Defendant Walding, Jr.

123. From January 2020 to November 2021, at least [REDACTED] Nebraska consumers purchased NXTLVL’s dropshipping services through Friesen. These consumers paid at least [REDACTED] to NXTLVL in upfront “consultant” fees. On information and belief, Walding, Jr., induced each of these payments by signing contracts with the consumers on behalf of NXTLVL.

124. Friesen made the following misleading claims to one or more Nebraska consumers to induce them to make these payments:

- a. She said the services NXTLVL offered were totally “hands-free”;
- b. She said NXTLVL managed stores for consumers and the income they received would be totally “passive”;
- c. She said she earned more than \$100,000 in less than a year with NXTLVL’s services;
- d. She said NXTLVL’s services would start producing income for consumers within three months;
- e. She said consumers would earn enough to cover their initial start-up fees within 8 to 14 months;
- f. She said NXTLVL would “buy back” consumers’ stores if they failed to recoup their start-up fees within 14-16 months; and
- g. She said a consumer’s store would earn \$10,000 per month within 12 months of operation.

125. Friesen facilitated a telephone call between a Nebraska consumer and Walding, Jr., in April 2020. During the call, Walding, Jr., reiterated many of the same representations made by Friesen, including that the consumer would receive her money back if she was dissatisfied with NXTLVL’s services. The consumer wired her funds to NXTLVL shortly after her call with Walding, Jr.

126. NXTLVL never planned to give anyone a refund. The contracts signed by consumers contained obscure language about “prohibited acts” and “store suspensions” that rendered the “buy back guarantee” meaningless.

127. NXTLVL never warned consumers about the issues dropshipping stores could run into or risks of the business model, all of which were heightened given NXTLVL’s gross incompetence. Nor did NXTLVL disclose the issues its stores were regularly facing. Instead, NXTLVL concealed material facts and issues with the services to entice consumers to pay into a scheme that was doomed to fail.

128. None of the Nebraska consumers who paid NXTLVL ever received a refund even though most—if not all of them—never earned any money from NXTLVL’s services.

129. At least one Nebraska consumer who paid for NXTLVL's services reviewed Walding, Jr.'s website before wiring his funds. The website contained the following misleading statements:

- a. It described NXTLVL as "a team of experts that help clients leverage the power of Amazon and Walmart to generate passive income online";
- b. It stated that NXTLVL "enable[d] their clients to realize and enjoy financial freedom by managing the entire company for their clients from A-Z"; and
- c. It said NXTLVL's services allowed their clients "to own a business 100% but not have to work in it."

130. NXTLVL was unable or unwilling to deliver on these promises.

a. NEBRASKA CONSUMERS LEARN THAT NXTLVL IS UNABLE OR UNWILLING TO PERFORM THE SERVICES THEY PAID FOR

131. Consumers who paid NXTLVL were also forced to pay a \$300 monthly "management" fee, even when their stores were not yet operational.

132. Representatives from NXTLVL made the following misleading statements to Nebraska consumers to induce them to continue paying their monthly fees:

- a. On July 7, 2020, Walding, Jr., said via email that NXTLVL was developing a "specially built scaling strategy" that would "make a ton of sales"; in an email a few weeks later, NXTLVL acknowledged that the new "scaling system" was an attempt to "eliminate some of the issues we've been seeing";
- b. As early as August 2020, Nebraska consumers expressed concern to NXTLVL about returned items being sent to their homes, items sold at a loss, and stores losing money every month; to downplay these problems, NXTLVL

- deceptively told consumers their stores were in a “ramp up” period and may need to take a loss in the beginning;
- c. After one consumer’s store was suspended by Amazon due to a high order defect rate, a NXTLVL representative assured the consumer in November 2020 that “we’ll be switching to a new system next month so this shouldn’t continue to be an issue”;
 - d. In an email on December 10, 2020, Walding, Jr., addressed store deactivations and suspensions with at least two Nebraska consumers, explaining that “[i]t happens, and there is little that can be done to predicts (*sic.*) if or when it will happen[,]” but NXTLVL was “using the tools in our arsenal ... to bring store[s] back quickly and efficiently”; and
 - e. As the problems continued to mount, Walding, Jr., told at least two Nebraska consumers that NXTLVL was implementing “AI pricing control” in an effort “to grow your margins and overall profits”; according to Walding, Jr., “[NXTLVL’s] systems [were] getting smarter[.]”

133. The statements above were all misleading and designed to conceal the fact that NXTLVL did not have a viable plan to provide the services they were offering. The statements successfully induced Nebraska consumers to continue paying their \$300 monthly management fees well into 2021.

134. NXTLVL was unable or unwilling to manage consumers’ stores, and Amazon deactivated most or all of them due to egregious acts of incompetence, including for example:

- a. Failing to ship orders;
- b. Failing to ship orders on time;
- c. Failing to provide accurate tracking information;
- d. Failing to upload tracking information;
- e. Selling defective products;
- f. High return rates;
- g. Negative customer reviews;

- h. High order defect rates; and
- i. Customers receiving the wrong items.

135. In or around October 2020, one Nebraska consumer notified Friesen that—after being told her store would be producing income in 3 months—her NXTLVL store was nowhere close to making money 5 months after paying her start-up fees. Friesen now said the ramp-up period can last as long as 9 months.

136. Most if not all the Nebraska consumers who purchased NXTLVL’s services never made any meaningful income and many of them lost money due to items being sold at a loss. None of these consumers ever received the refund they were promised.

137. NXTLVL continued to bill Nebraska consumers \$300 per month for their store management fees, even though NXTLVL knew it did not have systems in place that could reliably perform the services consumers were paying for.

138. Throughout their ordeal, Walding, Jr., obsessively told Nebraska consumers that—to maximize profits—they should keep the credit limits as high as possible on the store credit cards that NXTLVL had access to.

b. NXTLVL PIVOTS TO WALMART FOLLOWING FAILURE TO SET UP AMAZON STORES

139. Realizing that NXTLVL’s business model was not viable on Amazon, in an email dated November 17, 2020, Walding, Jr., notified at least two Nebraska consumers that NXTLVL was offering a new Walmart dropshipping service at a special price of \$15,000 for existing clients.

140. According to Walding, Jr., NXTLVL had custom software that would manage their clients’ Walmart stores, and they had clients “doing 5-6 figures per month ... right from the very beginning!”

141. Walding, Jr., assured clients that “suspensions [were] a rarity” and there was “ZERO ramp up period!”

142. In another email in December 2020, Walding, Jr., described the Walmart opportunity as “the hottest opportunity in eCommerce[.]”

143. NXTLVL did not actually have custom software—or even a plan—to help its clients earn money selling goods on Walmart.com.

144. In fact, Walmart’s third-party seller policies stated that sellers were not allowed to “purchase products from another retailer and have the order shipped directly to a Walmart customer.” In other words, dropshipping was not allowed.

145. Walmart’s prohibition against having orders filled by third-parties doomed NXTLVL’s business model from the start. Walding, Jr., was inviting his “clients” to pay him \$15,000 for a service NXTLVL was incapable of providing.

**c. NXTLVL CONTINUES TAKING MONEY FROM
NEBRASKA CONSUMERS IN THE SUMMER OF
2021**

146. Even after it became clear by the summer of 2020 that NXTLVL’s dropshipping services were not viable and could not produce extra income for their “clients,” NXTLVL continued taking money from Nebraska consumers well into 2021.

147. Friesen encouraged her clients to refer others to purchase dropshipping services through WiFi Money. To incentivize referrals, WiFi Money offered referral bonuses to existing clients who signed up new dropshipping clients.

148. One consumer wired \$24,000 to NXTLVL on July 15, 2021, through a referral from another Nebraska consumer.

149. Walding, Jr., deceptively told the consumer via email that NXTLVL’s services were a “rare opportunity to own a business without having to work in that business. It is hands off for you, allowing you to earn great income on autopilot.”

150. The consumer had a store set up on Amazon.com, but Amazon shut the store down as soon as items were listed for sale.

Amazon later told the consumer her store was deactivated because it was connected to another account tied to NXTLVL.

151. NXTLVL attempted to conceal the problems with the consumer's store by telling her not to communicate directly with Amazon because she "[was not] equipped with the right knowledge or experience ... and likely could cause more harm than good."

152. Despite assurances from NXTLVL that the issue would be fixed, the consumer's account was never reinstated.

153. The consumer inquired about exercising her store buy back option but was told by NXTLVL that "would not be an option" since her store was suspended.

**d. TWO OTHER NEBRASKA CONSUMERS PAID FOR
NXTLVL'S SERVICES DIRECTLY**

154. In August 2021, two other Nebraska consumers were recruited by NXTLVL directly (i.e., with no involvement from WiFi Money) and paid NXTLVL a total of \$51,180 for dropshipping services.

155. To induce these payments, NXTLVL representatives made the following misleading claims to one or both consumers:

- a. If consumers purchased an "existing" Amazon store, they would start generating passive income immediately;
- b. Consumers would earn their money back within 10-12 months if they purchased an "existing" Amazon store;
- c. Consumers would earn their money back within 12-16 months if they purchased a "new" Amazon store;
- d. Consumers would earn their money back within 6 months if they purchased a Walmart store; and
- e. Consumers would earn \$100,000 in their first year with a Walmart store.

156. NXTLVL concealed the risks of dropshipping from these consumers, and the fact that Amazon and Walmart routinely rejected and deactivated stores managed by dropshipping "gurus" like NXTLVL.

157. As with all the others, these two consumers quickly learned that NXTLVL remained unable to perform the services they paid for.

158. When stores were set up for the consumers, they experienced the same problems as all the other NXTLVL clients, including for example:

- a. Immediate store deactivations;
- b. Difficulty receiving meaningful assistance from NXTLVL;
- c. Unexplained requests to sign contract addendums and accompanying threats to pause services if the addendums were not signed; and
- d. Funds withheld by Amazon and refusals by NXTLVL to assist with recovering the funds.

159. On December 7, 2021, a NXTLVL representative named Blake Wasser invited one consumer to purchase additional dropshipping services, and told the consumer that NXTLVL would “do all the work for you Find/Research/List/Ship and deal with customer service[.]”

160. The same representative sent another consumer a nearly identical message on January 20, 2022, claiming that NXTLVL “[does] all the work for our busy clients : Find/Research/List/Ship, deal with customer service.” According to the representative, NXTLVL’s clients could “[o]wn [their] own business without having to ‘work’ in the business.”

C. WIFI MONEY PIVOTS AND STARTS FUNNELING CONSUMERS TO KYNCEY INVESTMENTS

161. In the second half of 2020—despite the obvious flaws with the “automated” dropshipping concept—the WiFi Money Defendants pivoted and started directing consumers to pay tens of thousands of dollars to Kyncey for dropshipping services.

a. **LIZ FRIESEN RECRUITS AT LEAST THREE
NEBRASKA CONSUMERS TO PURCHASE
DROPSHIPPING SERVICES THROUGH KYNCEY**

162. In January 2020, a Nebraska consumer was lured by a recruiter named Nolan Johnson to wire \$15,000 to Kyncey for dropshipping services. On information and belief, McDougal signed a contract with the consumer to induce her to wire her funds. The consumer's store was flagged by Amazon in July 2020 and deactivated in October. She never received any income from her Kyncey dropshipping store, and Kyncey ignored her requests for a refund.

163. In August and September of 2020, Friesen recruited three other Nebraska consumers who paid Kyncey a total of at least \$95,000 for dropshipping services. Defendant Byars induced these payments by signing contracts with each consumer on Kyncey's behalf.

164. Additionally, Friesen made the following misleading claims to induce the three Kyncey "clients" she recruited to wire their funds:

- a. She said she and her husband were earning \$25,000 per month between the two of them and most their monthly income came from a dropshipping store;
- b. She said they were working with a company that managed their dropshipping store for them, and all they had to do was pay off a credit card each month—the store was completely "hands free";
- c. She told consumers they could start making money within 30-45 days if they purchased an existing dropshipping store for an additional \$10,000;
- d. She said the net profit from the consumers' stores would be approximately 10% of gross sales; and
- e. She assured consumers they would receive a refund if they did not recoup their initial start-up fees within 17 months, but concealed the fact that no refund would be given if stores were suspended or deactivated, and that suspensions and deactivations were certain to occur.

165. Moreover, Friesen and Kyncey downplayed the serious flaws associated with dropshipping on Amazon and concealed the fact that Kyncey did not have proven systems in place to perform the services they were offering.

166. In July 2020, Defendant Frederick deceptively told one Nebraska consumer that WiFi Money and Kyncey had a relationship with someone in “underwriting” at American Express who could help increase the credit limit on his store credit card. Frederick also concealed Kyncey’s inexperience and the serious flaws associated with dropshipping. The consumer was persuaded by Frederick’s sales pitch and decided to wire \$35,000 to Kyncey shortly thereafter.

167. Friesen messaged one consumer on July 9, 2020, to inform her that “Amazon Prime Days is scheduled for mid October (*sic.*).... Soooooo if you were to get a store pronto the moment you were our (*sic.*) of your ‘90 (*sic.*) probationary period’ you’d go right into Prime Days, black Friday, Cyber Monday, HOLIDAY. BAsically (*sic.*) this means your ROI will be much quicker (woohooo)[.]”

168. The consumer who received this message paid her \$35,000 start-up fee on August 5, 2020, but only had one item listed for sale in her store as of December 17, 2020.

169. In response to an inquiry from the same consumer about the risk of losing the “buy back” guarantee if her store got suspended, Friesen assured the consumer that the only reason her store could be suspended would be “lack of capital!”

170. This statement was misleading as “lack of capital” was far from the only reason a consumer’s store would be suspended or deactivated by Amazon.

171. Friesen concealed the fact that suspensions and deactivations were very common with dropshipping on Amazon.

172. The same consumer expressed concern to Friesen that the companies she was promoting had not been in business for very long. Friesen deceptively downplayed this very legitimate concern by assuring her that “[t]he business [had] been around for a while[.]” but

recently did some “[r]ebranding ... which explain[ed] the newer llcs (*sic.*)”

173. In fact, the businesses Friesen was promoting had only been in operation for a few months and did not have proven systems to perform the services they were offering. The consumer’s concerns were justified, despite Friesen’s unequivocal assurance to the contrary.

b. KYNCEY’S CUSTOMERS LEARN KYNCEY IS UNABLE OR UNWILLING TO PROVIDE THE SERVICES THEY PAID FOR

174. As with NXTLVL, each of the consumers who paid Kyncey quickly learned that Kyncey was unable or unwilling to perform the services they paid for.

175. In or around November 2020, a Nebraska consumer who paid Kyncey in August 2020 contacted Friesen to complain that his store was still not fully operational after being told he would be making money in 30-45 days.

176. Friesen acknowledged the consumer’s concerns and said her dropshipping store was also having problems at the time.

177. Another Nebraska consumer complained to Friesen in December 2020 that—four months after she paid her start-up fee to Kyncey—basic tasks were not being completed and her store was still not fully operational. Friesen acknowledged her concerns and stated: “I hop (*sic.*) you don’t feel scammed!!!”

178. The same consumer was rushed to purchase her store so she could take advantage of Black Friday, Cyber Monday, and the holiday shopping season. Her Kyncey store never turned a profit.

179. When consumers’ stores with Kyncey were operational, they experienced all the same problems as NXTLVL’s “clients,” which led to their stores being deactivated by Amazon.

180. Consumers report that when they notified Kyncey about the problems, Kyncey either ignored them or provided evasive answers without offering meaningful solutions.

181. In November 2020, one consumer communicated his

concerns to Defendant Mallien, who held himself out as one of Kyncey's owners. Mallien told the consumer that this was a "very frustrating business model for an A type micro management (*sic.*) style business owner. This is a done for you business. They will handle. No action items on your side at this time."

182. Mallien further assured the consumer that "the commitment that [Kyncey] make[s] to all of [its] customers remains the same: you will ... be even on your investment within 16 months." Mallien continued: "This is a long-term strategy with great returns. Just be patient with me."

183. In a mass email to Kyncey's clients in January 2021, Mallien deceptively said high order defect rates, out of stock items, cancellations, negative reviews, suspensions, and deactivations are a normal part of dropshipping. He acknowledged that "[Kyncey's] customer service [had] been lackluster[,] but they were "projecting 100M in retail sales" in 2021. Kyncey ended up going out of business by the end of the year.

184. In another email Mallien sent to a Nebraska consumer in February 2021, he claimed that suspensions and deactivations were "par for the course[,] but Kyncey would "quickly work to resolve the root cause of the suspension, deactivation." He again stated Kyncey was "projecting 100M in retail sales this year[.]"

185. The purpose of Mallien's statements was to prevent Nebraska consumers from detecting Kyncey's gross incompetence and inability to provide the services they paid for.

186. In March 2021, a Nebraska consumer notified Defendant Frederick about the problems with his dropshipping store: no profits after 9 months and getting locked out of his Amazon account due to suspicious activity. Frederick passed him off to another Kyncey representative without providing any solutions.

187. The consumers who purchased dropshipping services through Kyncey eventually asked for the refunds they were promised around the end of 2021. Kyncey went out of business around this time and never meaningfully responded to their requests.

188. One consumer attempted to contact a Kyncey representative on December 17, 2021, to request a refund. She explained that \$25,000 was “a huge chunk for [her]” and “[w]ith how Covid affected us, I can’t take any further blows.” Nobody from Kyncey responded.

189. Two of Kyncey’s owners, Mallien and McDougal, each purchased multi-million-dollar mansions in California and Florida, respectively, shortly after Kyncey went out of business. On information and belief, Byars purchased his own private airplane.

c. FRIESEN CONTINUES TO PROMOTE DROPSHIPPING DESPITE KYNCEY’S AND NXTLVL’S FAILURES

190. Even after her clients’ failures with NXTLVL and Kyncey, Friesen continued to implement the “attraction marketing” strategies she learned through her training with WiFi Money:



191. In one post from November 2020, Friesen posted a picture with Defendant Casey in front of a McLaren alongside a statement that she and Casey “helped hundreds of entrepreneurs better their business and take their brand, social media knowledge and growth to the next level.” In the same caption, she exclaimed: “THE POWER OF WIFI MONEY MY FRIENDS, IS UNREAL!”

D. ENTER DBC LIMITED AND J&K CAPITAL

192. As the Covid-19 pandemic persisted into early 2021, so did WiFi Money and its scheme to line the pockets of its owners with the hard-earned savings of Nebraska consumers.

193. After the utter disasters with Kyncey and NXTLVL perpetrated on consumers throughout 2020, in an attempt to keep their “e-comm” gravy train rolling, the WiFi Money Defendants pivoted and began funneling consumers to DBC Limited and J&K Capital.

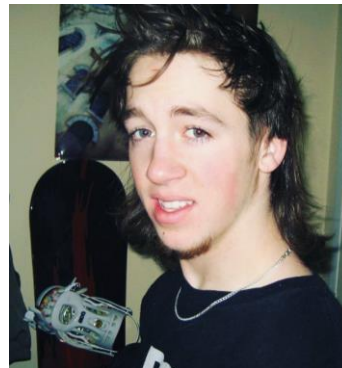
194. On information and belief, DBC Limited is entirely owned by Defendant Holt.

195. On information and belief, J&K Capital is entirely owned by Defendant Sawyer.

196. In or around January 2021, Casey began working directly for DBC Limited to promote DBC Limited’s dropshipping services.

197. DBC Limited also partnered with J&K Capital and Sawyer to recruit Nebraska consumers.

198. According to a series of posts from Holt’s Instagram page in 2017, the “DBC” in DBC Limited stands for “Dirtbag Crew”:



sacoholt [#dirtbagcrew](#) flaps. [#pipelinetrash](#)
366w



sacoholt [#dirtbagcrew](#) Circa 2004. This is where DBC started for me.
[#dirtbagcrew](#)

199. In a video posted to YouTube in April 2020, Holt acknowledged problems with dropshipping on Amazon, explaining that he recently “close[d] the door on [his] dropship management” because “currently dropshipping—the risks associated and the way that Amazon has changed—it has just not been something that I’m willing to really put my name on anymore.” Because of these concerns, Holt

said he was transitioning his clients away from the dropshipping model. See, Miko Lau, *How to Have Time Freedom on Top of Running a 7-Figure Business [with Mitch Holt]*, YouTube (April 18, 2020), <https://www.youtube.com/watch?v=02Dcmn4xwVE>, 18:00 – 18:30.

200. Whatever Holt’s reservations were then, they were not enough to stop him from taking more than ██████████ from Nebraska consumers throughout 2021 to set up dropshipping stores on Amazon and Walmart.com.

201. The State has confirmed payments to DBC Limited from nine Nebraska consumers totaling at least \$391,431.

202. In addition to these known payments, ██████ other consumers each paid DBC Limited unknown amounts for the same or similar services. Based on the known payments made for the same or similar services, the amount paid by the ██████ other consumers is estimated to be at least ██████.

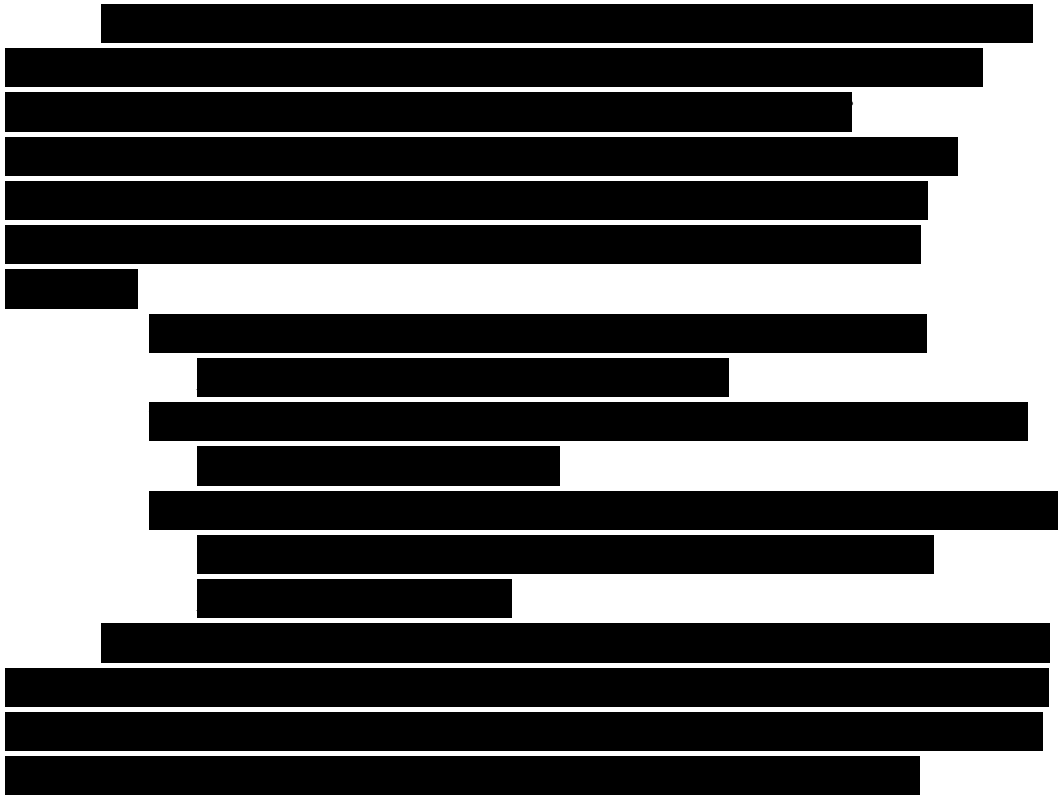
203. On information and belief, Holt signed contracts on behalf of DBC Limited with each of the Nebraska consumers who paid DBC Limited for dropshipping services.

a. **FRIESEN CONTINUES TO MISLEAD NEBRASKA CONSUMERS TO GET THEM TO “PARTNER” WITH DBC LIMITED AND J&K CAPITAL**

204. In or around January 2021, a Nebraska consumer told Friesen and her husband that his NXTLVL Amazon store had been suspended, and the Friesens acknowledged that their Amazon store was flagged as well. In all her conversations with the Nebraska consumers she recruited throughout 2021, Friesen downplayed or concealed this serious risk associated with dropshipping.

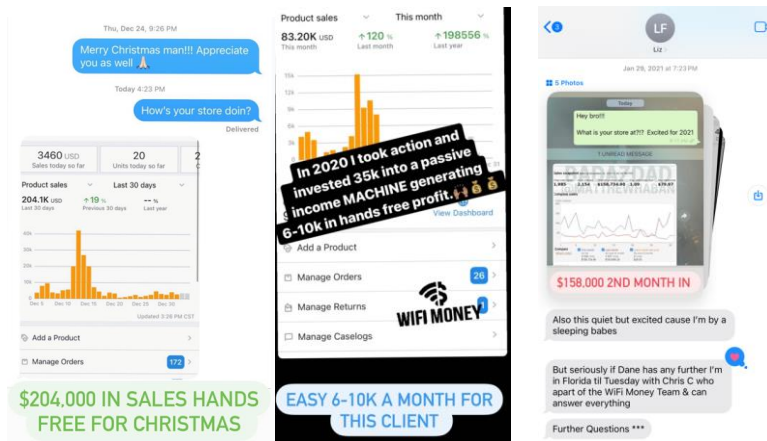
205. Friesen also failed to inform Nebraska consumers of the disastrous results her clients experienced with automated dropshipping throughout 2020.

206. In an Instagram post on January 20, 2021, Friesen declared that 2021 would be “the year of Mobile Money!” In another post in May, she posed at a beachfront resort alongside a caption with WiFi Money’s signature hashtag, “#paidtolive.”



209. Friesen sent a series of screenshots via text message to a Nebraska consumer in January 2021 that also contained several misleading claims:





210. Friesen sent the same consumer a text message on March 25, 2021, claiming that Amazon was “leveling up since Walmart’s now in the mix[.]” The purpose of this statement was to lead the consumer to believe Walmart and Amazon were competing for dropshippers to use their platforms, even though both companies were routinely deactivating or rejecting dropshipping accounts at the time.

211. To induce the consumer to wire funds for her store, Casey messaged her on March 31, 2021, claiming there were “new upgrades happening to the Amazon stores!”

212. The consumer who received these messages relied on the representations contained therein in deciding to wire \$65,000 to J&K Capital and DBC Limited shortly thereafter. Sawyer personally instructed the consumer on where and how to wire her funds.

213. In a series of messages with another Nebraska consumer in March 2021, Friesen made the following misleading claims:

- a. She said she would make the consumer a millionaire if she paid \$35,000 to J&K Capital;
- b. She said the consumer “[would] 100% make 6figures (*sic.*)” through DBC Limited’s and J&K Capital’s dropshipping services;
- c. She assured the consumer she would be able to quit her job and “it’s completely passive SO YOU DO NOTHING”;

- d. She assured the consumer that any payments to DBC Limited following her initial start-up payment would come from profits “not [her] pockets!”
- e. She described DBC Limited as “the best in the entire E-commerce world, that’s why Walmart brought them in to design this platform! It’s designed for you to win!”

214. Walmart did not actually “bring DBC Limited in” to design their “platform.” This was a critically important deception because it led the consumer to believe Walmart had signed off on DBC Limited’s activities on Walmart.com, which could not have been further from the truth.

215. In March 2021, Walmart’s third-party seller policies still did not allow sellers to “purchase products from another retailer and have the order shipped directly to a Walmart customer.” This doomed DBC Limited’s and J&K Capital’s business model from the start.

216. Casey made the following misleading statements on behalf of DBC Limited in identical emails he sent to two consumers in May and July of 2021:

- a. He said it would take 12-14 months on average to recoup the consumers’ initial start-up costs;
- b. He said net profit margins for the consumers’ stores would be “12%-14%” or more; and
- c. He said DBC Limited provided a fully automated dropshipping service that included a “website build-out” and “100% tax exemption/sales permits[.]”

217. The consumer who received the Casey email in May wired \$35,000 to J&K Capital on June 9, 2021. The consumer who received the email in July wired \$37,500 to DBC Limited on August 3, 2021.

218. DBC Limited never “built out” a website for the consumers’ stores.

219. Caseys’ emails included links to DBC Limited’s website, which contained the following deceptive representations:

- a. That DBC Limited provided “Done-4-You” and “automated store management” services; and
- b. That DBC Limited provided “automated Walmart Dropshipping” services and could help their clients “realize their dreams of passive income.”

220. The Casey emails also included links to WiFi Money’s website, which contained the following deceptive representations:

- a. That WiFi Money could help its clients “[earn] money right from [their] couch, car, or while [they] sleep”; and
- b. That WiFi Money had a “proven [e-commerce] automation system.”

221. None of the Nebraska consumers who paid DBC Limited and J&K Capital in the spring of 2021 ever earned passive income from their dropshipping stores.

222. One consumer had her Walmart seller account suspended and the funds frozen in her account due to a policy violation. She notified Friesen of the problem in September 2021, and Friesen said the same thing “[h]appened to one of [her] stores too” and they were “[c]urrently holding \$70k” in her account. Friesen was undeterred and continued concealing the problems with WiFi Money’s business partners from consumers for almost a year thereafter.

223. One consumer whose store was deactivated shortly after it was opened learned from Amazon that her DBC Limited store was shut down for the following reasons:

- a. “A high volume of customer complaints alleging that they never received the orders they placed”;
- b. Customers being provided with “invalid tracking numbers,” which deceived customers and Amazon into believing that orders were being filled;
- c. Recycled tracking numbers;
- d. DBC Limited used “stalling tactics to prevent Amazon customers from filing [complaints with Amazon]” by, for example, saying products were damaged or out-of-stock after a customer placed an order; and

e. Products were being listed for sale on Amazon.com “that [DBC Limited] had no intention fulfilling.”

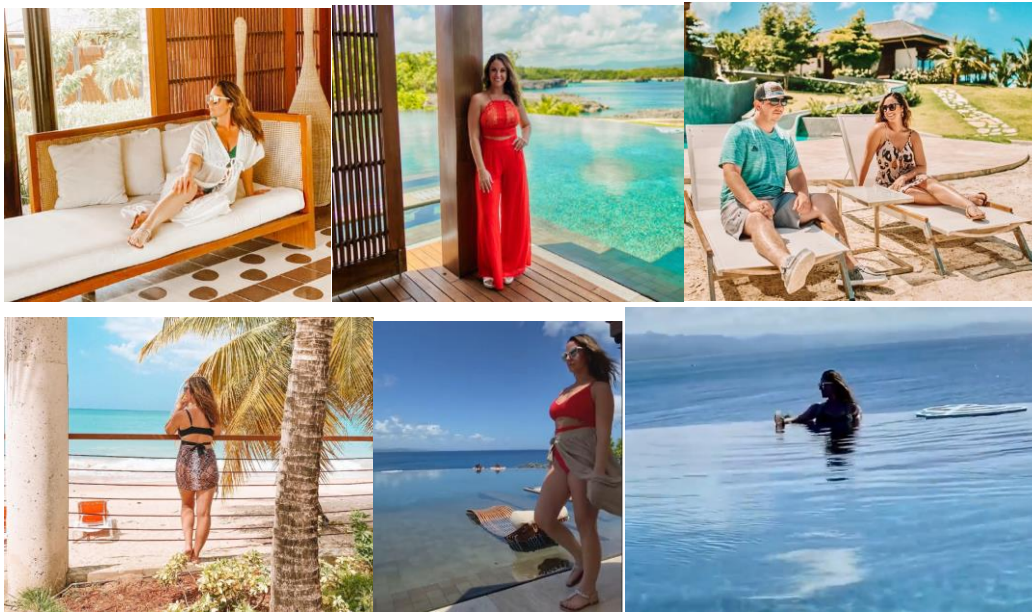
224. The consumer was further told by Amazon that the funds in her account were frozen because DBC Limited failed to comply with Amazon’s conditions for receipt of funds “by engaging in fraudulent and deceptive behavior and by harming Amazon customers.”

b. THE SUMMER SURGE

225. In the summer of 2021, as the Covid-19 pandemic hit a peak with the emergence of the Delta variant, interest in WiFi Money’s “#paidtolive” services similarly reached new heights, leading to a fresh wave of lost savings for Nebraska consumers.

226. Not to be deterred by almost a year-and-a-half of failures with WiFi Money’s dropshipping partners, Friesen doubled down on the “attraction marketing” sales tactics she learned from WiFi Money and continued to flaunt her “success”—the luxury vacations, designer clothing, professional photographs, etc.—to entice Nebraska consumers to sign up with DBC Limited and J&K Capital:





227. The 12 photographs above were posted to Friesen’s Instagram page between May and July of 2021. Unfortunately, the campaign was wildly successful and led to an explosion in interest in WiFi Money’s “#paidtolive” services. From June to November 2021, at least [REDACTED] Nebraska consumers paid approximately [REDACTED] to DBC Limited or J&K Capital to purchase dropshipping services.

228. In or around May of 2021, to induce a Nebraska consumer to wire \$35,000 to DBC Limited, Friesen made the following misleading statements on behalf of WiFi Money:

- a. She said DBC Limited offered a “done for you” service that would generate “passive income” and require little to no effort;
- b. She said DBC Limited’s services had changed her life financially “as well as almost 80 others [she had] brought this opportunity to”;
- c. She assured the consumer WiFi Money was not a multi-level marketing scheme; and
- d. She said the consumer would receive a refund if she failed to recoup her start-up fees in the first 14 months.

229. Each of the ■ other consumers who paid DBC Limited and J&K Capital between June and November 2021 relied on substantially similar representations from Friesen and Casey in deciding to pay the start-up fees for their dropshipping stores.

230. Friesen, DBC Limited, and J&K Capital concealed the fact that Walmart and Amazon routinely rejected or deactivated stores managed by dropshipping gurus like DBC Limited.

231. Friesen, DBC Limited, and J&K Capital also concealed the fact that DBC Limited's business model and systems were unproven, untested, and had no track record of success.

232. On October 13, 2021, Casey sent an email to a Nebraska consumer on behalf of DBC Limited wherein he made the following misleading claims:

- a. That the consumer would earn enough to cover his \$35,000 up front fees within 12-14 months;
- b. That the consumer would earn \$7,000 to \$10,000 per month in profit from an Amazon dropshipping store; and
- c. The consumer's profit margins would be 10%-12% of gross sales.

233. The consumer who received this email wired \$35,000 to DBC Limited on November 23, 2021.

234. On or around the same date, Friesen sent a promotional video to a Nebraska consumer via text message that contained the following misleading claims:

- a. That WiFi Money could help its clients achieve "Not 1.... But 3 different income streams for 2022!!!"
- b. That WiFi Money could help its clients start their own automated e-commerce stores with their "team of experts";
- c. That WiFi Money's store management services were "completely hands free"; and
- d. That WiFi Money's clients earned on average \$8,000 to \$12,000 per month in passive income.

235. The promotional video referenced in ¶ 234 was provided

to Friesen by WiFi Money for the purpose of disseminating the information contained therein to Nebraska consumers. Each of the statements contained in the video were misleading as WiFi Money's passive income services had no track record of success and Nebraska consumers were not likely to earn passive income with anything WiFi Money had to offer.

c. NEBRASKA CONSUMERS LEARN THAT DBC LIMITED AND J&K CAPITAL ARE UNABLE OR UNWILLING TO PERFORM THE SERVICES THEY PAID FOR

236. Once Nebraska consumers wired their start-up fees to DBC Limited and J&K Capital, they quickly learned that neither company was willing or able to provide the services they paid for.

237. Many Nebraska consumers who paid to have stores set up on Walmart.com had their seller applications rejected. After one consumer's application was rejected, a DBC Limited representative told him he should apply for another account under a different name and email address to conceal the fact that he had already applied.

238. After stores were rejected or deactivated by Amazon and Walmart, Holt assured many Nebraska consumers that DBC Limited had a "dedicated" team working with its clients to get their stores back up and running.

239. Nebraska consumers found that DBC Limited's team was not quite as "dedicated" as Holt led on. Consumers were unable to communicate with anyone over the phone, representatives were difficult or impossible to reach, nobody provided meaningful assistance or solutions, and they were just as clueless as consumers when it came to getting their stores up and running.

240. After one consumer's Amazon store was suspended, a DBC Limited representative instructed him to lie to Amazon and say he was managing his store on his own.

d. HOLT AND DBC LIMITED CONCEAL THE TRUE REASONS BEHIND STORE DEACTIVATIONS

241. In a mass email sent to Nebraska consumers in August 2022—despite publicly acknowledging the problems with dropshipping more than two years prior—Holt blamed Amazon store suspensions and deactivations on recent changes to Amazon’s policies. In reality, Amazon was deactivating DBC Limited’s stores for the same or similar reasons it deactivated stores managed by the other Dropshipping Defendants: high return rates, unfilled orders, cancelled orders, poor customer reviews, counterfeit goods listed for sale, fake tracking numbers, recycled tracking numbers, defective items being sent to customers, late shipments, and repeated violations of Amazon’s policies.

242. In November 2022, a DBC Limited representative sent an email to one or more Nebraska consumers whose stores were deactivated by Amazon. The representative advised them to create a new store and, to do so, they would need to create a new Amazon seller account “using a *different* IP address” (emphasis in original). The purpose of this statement was to encourage DBC Limited’s clients to conceal their identities from Amazon.

243. In February 2023, DBC Limited sent a mass email to its clients notifying them that DBC Limited would no longer be trying to get its clients’ Amazon stores reinstated. In the email, DBC Limited blamed store deactivations on “new Amazon leadership” and changes to Amazon’s dropshipping policies.

244. In another mass email to Nebraska consumers, a DBC Limited representative blamed store deactivations on “Amazon’s arbitrary behavior[.]”

e. DBC LIMITED RESISTS REFUND REQUESTS AND ABANDONS ITS CONTRACTUAL OBLIGATIONS

245. After Nebraska consumers paid DBC Limited \$35,000 or more and received next to nothing in return, DBC Limited stopped

providing services for their clients in the fall of 2023, but offered to “introduce [them] to a 3rd party service to help” *for an additional fee*.

246. On October 31, 2023, Holt sent a mass email to DBC Limited’s clients notifying them that DBC Limited would be closing its doors permanently. Nebraska consumers were told they were on their own to either operate their stores by themselves or find someone else to do it for them.

247. In another email to Nebraska consumers in January 2024, Holt offered to refer DBC Limited’s clients to another “service provider,” but only if they had “a minimum of \$15,000 - \$20,000 capital (to start) for eCommerce store expenses.”

248. In the email notifying clients of DBC Limited’s closure, Holt said DBC Limited “reserve[d] all rights to collect past due balances, including and up to sending your delinquent account to collections.” Holt neglected to mention anything about the refunds promised to Nebraska consumers.

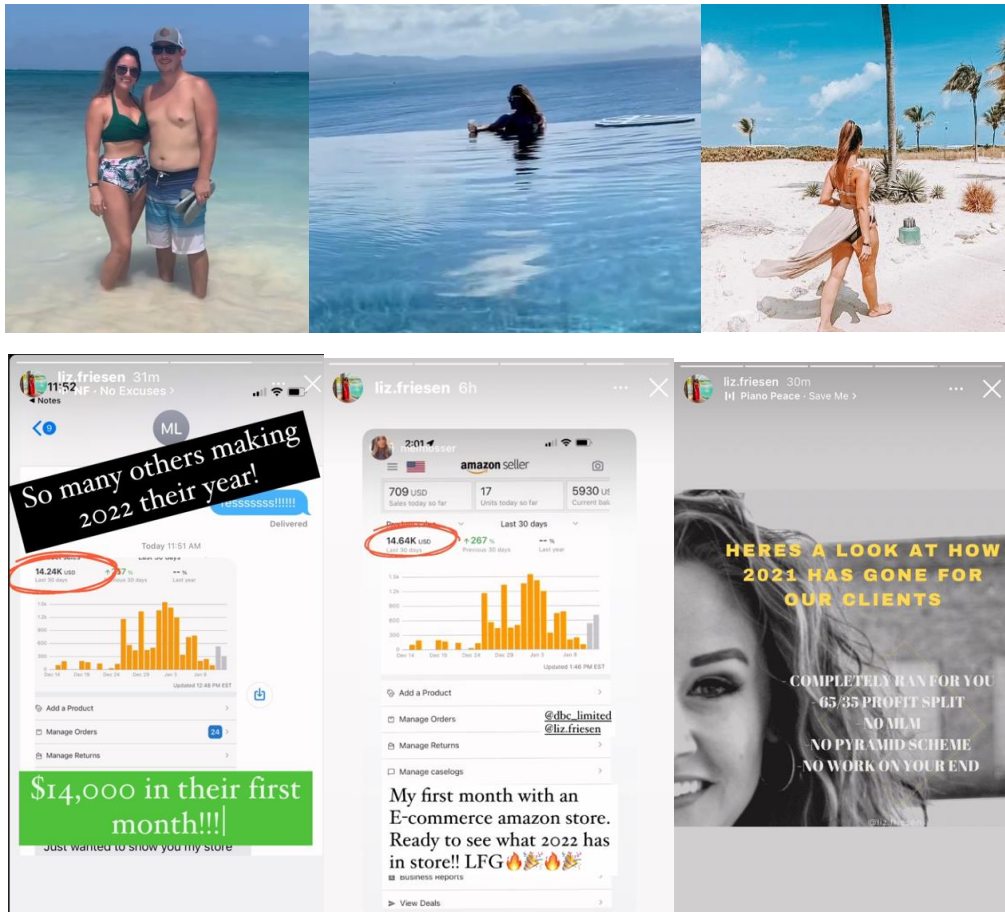
249. In refusing consumers’ requests for refunds, Holt and DBC Limited relied on the provisions in their contracts stating that no refunds would be given if their stores were deactivated or suspended.

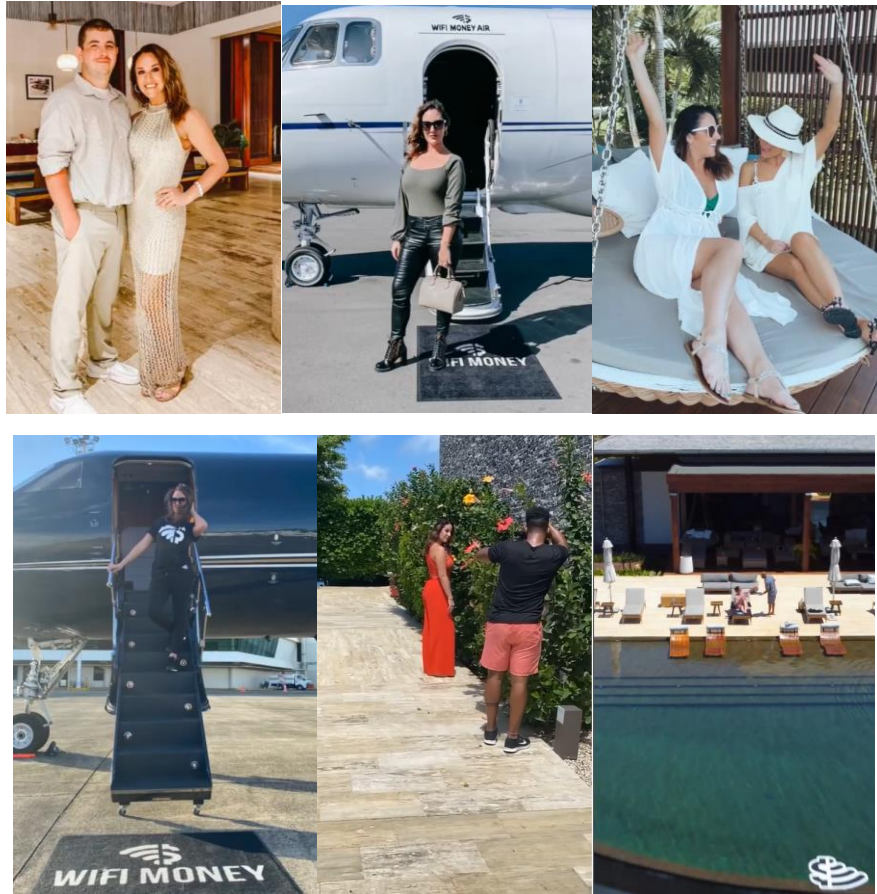
250. Despite DBC Limited’s failures, Holt made off with a new Rolex, a lakehouse in British Columbia, a mansion in Calgary, a McClaren 720s Spider, and a new wake boat he purchased during the summer surge:



E. ALEX MOELLER SUPPRESSES CRITICISM AS FRIESEN CONTINUES TO MISLEAD NEBRASKA CONSUMERS ON BEHALF OF WIFI MONEY

251. In or around December 2021 and thereafter—as the Omicron variant fueled the final wave of the Covid-19 pandemic—Friesen continued to use WiFi Money’s misleading sales techniques to lure Nebraska consumers into WiFi Money’s passive income schemes:





252. In March 2022, a Nebraska consumer told Friesen she felt misled and cheated because Friesen made dropshipping seem “much simpler/easier/faster than what it [] turned out to be.” In response, Friesen said she had “seen this work time and time again for hundreds of investors.”

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

255. Also in April 2022, a Nebraska consumer complained to Friesen about their Amazon store not making any money almost a year after paying DBC Limited. In response, Friesen said “Aaron and I have helped almost 450 people in the last two years get stores up and running.” She neglected to mention anything about the store suspensions, deactivations, and lost savings those “clients” experienced.

256. Further, there is no evidence of a single consumer whose store profited after being set up by DBC Limited. The “450 people” claim Friesen made is completely unsupported by evidence.

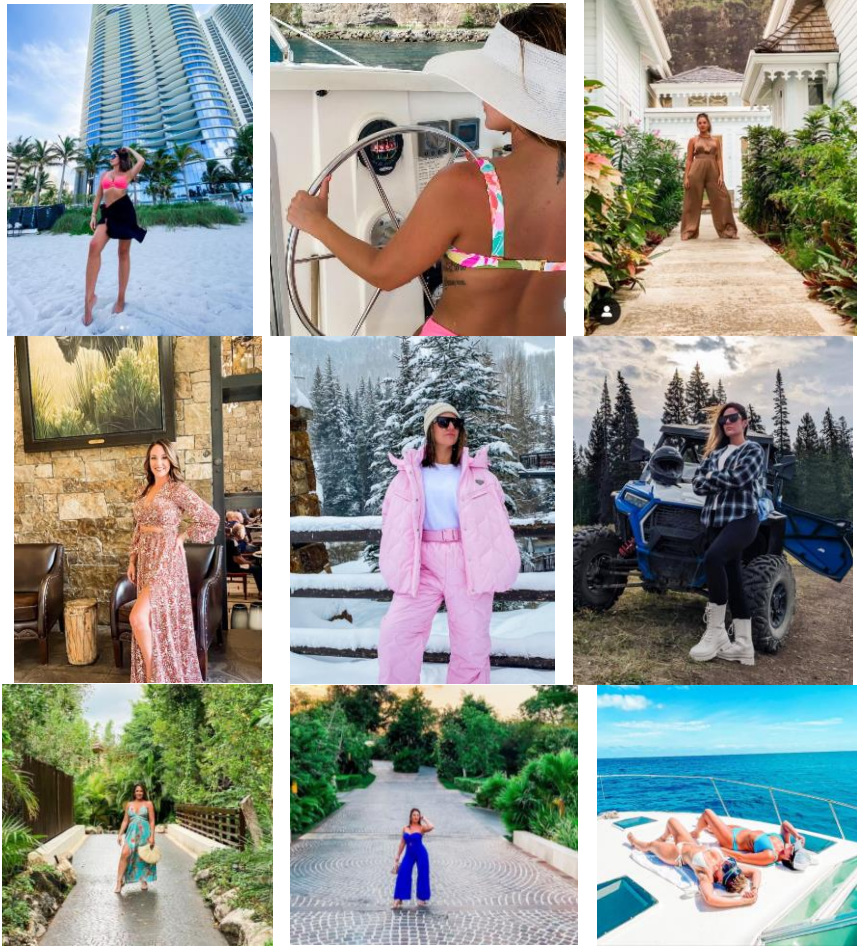
[REDACTED]

F. LIZ FRIESEN SIGNS UP AT LEAST ONE CONSUMER TO PURCHASE DROPSHIPPING SERVICES THROUGH ACE AUTOMATION GROUP LLC IN AUGUST 2022

258. As the Covid-19 pandemic came to an end in the summer of 2022, the WiFi Money Defendants attempted one last salvo to keep milking Nebraska consumers of their savings by pivoting to the last of the Dropshipping Defendants: ACE Group.

259. After more than two and a half years of abject failures with WiFi Money and its e-commerce partners, Friesen continued to use the “#paidtolive” marketing techniques she learned through her training with WiFi Money to mislead Nebraska consumers:





260. In a post to her Instagram account in August 2022, Friesen invited her followers to “work alongside me and my WiFi Money team and make \$5,000 extra a month, \$10,000 extra a month, \$100,000 extra a month. Whatever it is that your heart desires, let’s make it happen.”

261. On August 1, 2022, Friesen made the following misleading claims to a Nebraska consumer to induce her to pay \$55,000 to ACE Group. She claimed that:

- a. ACE Group provided “hands off” store management services;
- b. ACE Group had its own product research software that was the best in the industry;

- c. Amazon acquired ACE Group's industry-leading product research software;
- d. The consumer would not be involved in managing her store;
- e. The consumer would earn back her \$55,000 start-up fee within 18-24 months;
- f. ACE Group would refund amounts lost if the consumer failed to recoup her start-up fees within 24 months; and
- g. The consumer's store would earn massive profit margins during the holiday shopping season.

262. The consumer recalled seeing Friesen's Instagram page and was led to believe that Friesen's lifestyle was financed by her own automated Amazon store.

263. As with all of WiFi Money's "clients," the consumer quickly learned that ACE Group was unable or unwilling to provide the services she paid for.

264. Almost immediately after the consumer wired her funds, ACE Group's total ineptitude was on full display as she began to see, for example:

- a. Fraudulent charges on the store credit card that ACE Group had access to;
- b. Unexpected delays in getting a store set up;
- c. Insufficient items being listed for sale in the consumer's store;
- d. Customers not receiving items they purchased;
- e. Inventory not being purchased or processed appropriately; and
- f. No monthly income from her store.

265. To conceal the problems with the consumer's store and prevent her from taking action, ACE Group representatives made the following deceptive representations:

- a. That delays in getting a store set up were due to ongoing "product research";

- b. That delays in processing inventory were due to “negotiating fees with a warehouse”; and
- c. That delays in getting a store set up were due to ongoing negotiations regarding “shipping costs.”

266. The consumer who paid ACE Group never earned the passive income she was promised and ACE Group never meaningfully responded to her requests for a refund.

IV. VIOLATIONS OF THE CONSUMER PROTECTION ACT AND UDTPA

267. On October 3, 2024, an article was published on a website called www.worthpredictor.com that describes Moeller as a “renowned ... Financial Freedom Advocate” who has “solidified his position as a prominent figure in the realm of wealth management and entrepreneurship.” The article says Moeller is a “guiding light for individuals seeking financial independence” and he has a “sincere dedication to empower others with financial knowledge and strategies.”

268. Defendants’ schemes must be addressed. Their pattern of deceit and misleading consumers, of unconscionable acts and practices, and unlawful activities warrant relief that makes consumers whole and prevents this from happening ever again.

COUNTS I THROUGH VII: VIOLATIONS OF THE CONSUMER PROTECTION ACT BY NXTLVL SERVICES LLC AND MICHAEL WALDING, JR. - DECEPTIVE AND UNFAIR BUSINESS PRACTICES (Neb. Rev. Stat. § 59-1602 *et seq.*)

269. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

270. NXTLVL Services LLC and Walding, Jr., are “persons” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

271. NXTLVL Services LLC and Walding, Jr., conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

272. The CPA, Neb. Rev. Stat. § 59-1602, prohibits “...deceptive acts or practices in the conduct of any trade or commerce.”

273. An act or practice is deceptive if it possesses the tendency or capacity to mislead or creates the likelihood of deception.

274. The CPA, Neb. Rev. Stat. § 59-1602, prohibits “unfair...acts or practices in the conduct of any trade or commerce.”

275. An act or practice is unfair if it is offensive to public policy, immoral, unethical, oppressive, unscrupulous, or falls within some common law, statutory, or other established concept of unfairness, or causes substantial injury to consumers.

276. NXTLVL and Walding, Jr., engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting payments from Nebraska consumers for services they were unable or unwilling to provide;
- b. Claiming that Nebraska consumers would receive their money back if they failed to recoup their upfront costs within a certain time period;
- c. Claiming NXTLVL could help its clients earn passive income online;
- d. Claiming NXTLVL’s customers could own a business without having to work in the business;
- e. Concealing NXTLVL’s incompetence with false assurances that problems were being addressed;
- f. Offering to sell dropshipping services through Walmart.com when Walmart did not allow dropshipping on its third-party seller platform; and
- g. Discouraging clients from communicating with Amazon to prevent them from uncovering NXTLVL’s incompetence.

277. NXTLVL’s and Walding, Jr.’s actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation

constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

278. Nebraska consumers paid at least \$305,880 to NXTLVL as a result of the deceptive and unfair practices described herein.

COUNTS VIII THROUGH XI: VIOLATIONS OF THE UNIFORM DECEPTIVE TRADE PRACTICES ACT BY NXTLVL SERVICES LLC AND MICHAEL WALDING, JR. (Neb. Rev. Stat. § 87-301 *et seq.*) – DECEPTIVE AND UNCONSCIONABLE BUSINESS PRACTICES

279. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

280. Section 87-302(a) of the UDTPA specifies multiple practices, which when conducted in the course of business, constitute a deceptive trade practice.

281. NXTLVL and Walding, Jr., are “persons” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

282. An unconscionable act or practice by a supplier in connection with a consumer transaction constitutes a violation of the UDTPA. Neb. Rev. Stat. 87-303.01(1).

283. The unconscionability of an act or practice is a question of law for the court. Neb. Rev. Stat. § 87-303.01(2).

284. NXTLVL and Walding, Jr., engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that their services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of its dropshipping services;
- c. Advertising services with an intent not to sell them as advertised; and

d. Accepting payments for services they were unable or unwilling to provide.

285. NXTLVL's acceptance of funds for services it was unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01. Each and every payment by a Nebraska consumer to NXTLVL constitutes a separate and independent violation of the UDTPA. Neb. Rev. Stat. § 87-303.01(1).

**COUNT XII: CORPORATE VEIL PIERCING AGAINST
DEFENDANT MICHAEL WALDING, JR.**

286. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

287. Nebraska courts will pierce the corporate veil where an entity has been used to violate the legal duties of another or perpetrate a dishonest or unjust act in contravention of the rights of another.

288. At all relevant times herein, NXTLVL was under the actual control of Walding, Jr., who exercised his control to commit unjust acts in contravention of the rights of Nebraska consumers.

289. As Nebraska consumers grappled with the fallout of their misguided decision to "partner" with NXTLVL, [REDACTED]

[REDACTED]

292. NXTLVL's corporate form was a mere façade for the personal dealings of Walding, Jr.

293. In justice and fairness, NXTLVL's corporate form should be set aside and Walding, Jr., held personally liable for the deceptive, unfair, and unconscionable acts and practices described herein.

**COUNTS XIII THROUGH XVIII: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY KYNCEY INVESTMENTS,
LLC - DECEPTIVE AND UNFAIR BUSINESS PRACTICES (Neb.
Rev. Stat. § 59-1602 *et seq.*)**

294. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

295. Kyncey Investments, LLC is a “person” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

296. Kyncey Investments, LLC conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

297. Kyncey engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting payments from Nebraska consumers for services they were unable or unwilling to provide;
- b. Concealing the fact that store suspensions and deactivations were very common and would prevent consumers from receiving refunds;
- c. Concealing the fact that automated dropshipping was not viable on Amazon’s third-party seller platform;
- d. Concealing Kyncey’s incompetence with false assurances that problems were being addressed;
- e. Discouraging Nebraska consumers from monitoring the status of their stores to prevent them from discovering Kyncey’s incompetence; and
- f. Failing to respond to refund requests.

298. Kyncey’s actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, acceptance of funds, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

299. Nebraska consumers paid at least \$110,000 to Kyncey as

a result of the deceptive and unfair practices described herein.

**COUNTS XIX THROUGH XXII: VIOLATIONS OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT BY KYNCEY
INVESTMENTS, LLC (Neb. Rev. Stat. § 87-301 *et seq.*) –
DECEPTIVE AND UNCONSCIONABLE BUSINESS PRACTICES**

300. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

301. Kyncey is a “person” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301.01(1).

302. Kyncey engaged in deceptive and unfair and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that their services included certain characteristics or benefits that they did not have;
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of its dropshipping services;
- c. Advertising services with an intent not to sell them as advertised; and
- d. Accepting payments for services they were unable or unwilling to provide.

303. Kyncey’s acceptance of funds for services it was unable or unwilling to provide constitutes an unconscionable and unfair act or practice in violation of Neb. Rev. Stat. § 87-303.01. Each and every payment by a Nebraska consumer to Kyncey constitutes a separate and independent violation of the UDTPA. Neb. Rev. Stat. § 87-303.01(1).

**COUNTS XXIII THROUGH XXV: CORPORATE VEIL PIERCING
AGAINST KYLE MCDOUGAL, KYLE MALLIEN, AND MICHAEL
BYARS II**

304. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

305. At all relevant times herein, Kyncey was under the actual control of McDougal, Mallien, and Byars, who exercised their control to commit unjust acts in contravention of the rights of Nebraska consumers.

306. McDougal, Mallien, and Byars diverted company funds for their own personal use or to other entities they owned or controlled.

307. As Kyncey ignored requests for refunds from Nebraska consumers in early 2022, Mallien purchased a \$1.2 million home in Carlsbad, California.

308. McDougal purchased a \$2.3 million mansion in Tampa, Florida, shortly after Kyncey dissolved.

309. On information and belief, Byars purchased a private airplane.

310. Kyncey's corporate form was a mere façade for the personal dealings of its owners.

311. In justice and fairness, Kyncey's corporate form should be set aside and McDougal, Mallien, and Byars should be held personally liable for Kyncey's deceptive, unfair, and unconscionable acts and practices detailed herein.

**COUNTS XXVI THROUGH XXXIII: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY DBC LIMITED AND
MITCH HOLT – DECEPTIVE AND UNFAIR BUSINESS
PRACTICES (Neb. Rev. Stat. § 59-1602 *et seq.*)**

312. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

313. DBC Limited and Holt are “persons” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

314. DBC Limited and Holt conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

315. DBC Limited and Holt engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting payments from Nebraska consumers for services they were unable or unwilling to provide;

- b. Concealing the fact that consumers were unlikely to receive refunds due to the likelihood of store deactivations and suspensions;
- c. Claiming consumers would recoup their start-up fees in 12-14 months;
- d. Claiming profit margins in consumers' dropshipping stores would be 12%-14% of gross sales;
- e. Claiming DBC Limited provided services it was unable or unwilling to provide;
- f. Concealing DBC Limited's incompetence with false assurances that problems were being addressed;
- g. Offering to sell dropshipping services through Walmart.com when Walmart did not allow dropshipping on its third-party seller platform; and
- h. Misleading Nebraska consumers about the true reasons behind store suspensions and deactivations.

316. DBC Limited's and Holt's actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misleading representation, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

317. Nebraska consumers paid at least [REDACTED] to DBC Limited as a result of the deceptive and unfair practices described herein.

COUNTS XXXIV THROUGH XXXVII: VIOLATIONS OF THE UNIFORM DECEPTIVE TRADE PRACTICES ACT BY DBC LIMITED AND MITCH HOLT (Neb. Rev. Stat. § 87-301 *et seq.*) – DECEPTIVE AND UNCONSCIONABLE BUSINESS PRACTICES

318. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

319. DBC Limited and Holt are "persons" within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

320. DBC Limited and Holt engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that their services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of material facts in connection with the advertisement and sale of their dropshipping services;
- c. Advertising services with an intent not to sell them as advertised; and
- d. Accepting payments for services they were unable or unwilling to provide.

321. DBC Limited's acceptance of funds for services it was unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01. Each and every payment by a Nebraska consumer to DBC Limited constitutes a separate and independent violation of the UDTPA. Neb. Rev. Stat. § 87-303.01(1).

COUNT XXXVIII: CORPORATE VEIL PIERCING AGAINST MITCH HOLT

322. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

323. At all relevant times herein, DBC Limited was under the actual control of Holt, who exercised his control to commit unjust acts in contravention of the rights of Nebraska consumers.

324. Holt diverted company funds for his own personal use or to other entities he controlled.

325. Despite the company's failures, Holt managed to use funds paid to DBC Limited by Nebraska consumers to purchase a new boat, a Rolex, a lakehouse on Shuswap Lake in British Columbia, Canada, a mansion in Alberta, Calgary, and a McLaren 720s Spider.

326. DBC Limited's corporate form was a mere façade for the personal dealings of Holt.

327. In justice and fairness, DBC Limited's corporate form should be set aside and Holt should be held personally liable for DBC Limited's deceptive, unfair, and unconscionable acts and practices described herein.

**COUNTS XXXIX THROUGH XLII: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY J&K CAPITAL
INVESTMENTS, LLC AND JONATHAN SAWYER – DECEPTIVE
AND UNFAIR BUSINESS PRACTICES (Neb. Rev. Stat. § 59-1602
et seq.)**

328. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

329. J&K Capital and Sawyer are "persons" within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

330. J&K Capital and Sawyer conducted "trade and commerce" within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

331. J&K Capital and Sawyer engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting payments from Nebraska consumers for services they were unable or unwilling to provide;
- b. Claiming DBC Limited could help Nebraska consumers earn passive income online;
- c. Claiming consumers could dropship on Walmart.com when Walmart prohibited dropshipping on its platform; and
- d. Claiming that Nebraska consumers would earn 12%-15% profit margins on items being sold in their dropshipping stores.

332. J&K Capital's and Sawyer's actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation

constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

333. Nebraska consumers paid at least [REDACTED] to J&K Capital for dropshipping services as a result of the deceptive and unfair practices described herein.

**COUNTS XLIII THROUGH XLVI: VIOLATIONS OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT BY J&K
CAPITAL INVESTMENTS, LLC AND JONATHAN SAWYER
(Neb. Rev. Stat. § 87-301 *et seq.*) – DECEPTIVE AND
UNCONSCIONABLE BUSINESS PRACTICES**

334. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

335. J&K Capital and Sawyer are “persons” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

336. J&K Capital and Sawyer engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that their services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-320(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of dropshipping services;
- c. Advertising services with an intent not to sell them as advertised; and
- d. Accepting payments for services they were unable or unwilling to provide.

337. J&K Capital’s acceptance of funds for services it was unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01. Each and every payment by a Nebraska consumer to J&K Capital constitutes a separate and independent violation of the UDTPA. Neb. Rev. Stat. § 87-303.01(1).

**COUNT XLVII: CORPORATE VEIL PIERCING AGAINST
JONATHAN SAWYER**

338. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

339. At all times relevant herein, J&K Capital was under the actual control of Sawyer, who exercised his control to commit unjust acts in contravention of the rights of Nebraska consumers.

340. Sawyer diverted company funds for his own personal use or to other entities he owned or controlled.

341. For example, in or around the Spring of 2022, as Nebraska consumers dealt with the fallout of their decision to “partner” with DBC Limited and J&K Capital, [REDACTED] [REDACTED]
[REDACTED]
[REDACTED]

342. J&K Capital has no apparent business purpose aside from the personal dealings of Sawyer.

343. J&K Capital’s corporate form is a mere façade for the personal dealings of Sawyer.

344. In justice and fairness, J&K Capital’s corporate form should be set aside and Sawyer should be held personally liable for J&K Capital’s deceptive, unfair, and unconscionable acts and practices described herein.

**COUNTS XLVIII THROUGH L: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY ACE AUTOMATION
GROUP LLC AND CARLOS E. COLON DE LA ROSA –
DECEPTIVE AND UNFAIR BUSINESS PRACTICES (Neb. Rev.
Stat. § 59-1602 *et seq.*)**

345. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

346. ACE Group and Colon are “persons” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

347. ACE Group and Colon conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

348. ACE Group and Colon engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting payments from Nebraska consumers for services they were unable or unwilling to provide;
- b. Concealing the fact that ACE Group did not have established systems in place to perform the services they were offering; and
- c. Misleading consumers about the true reasons for failing to provide the services consumers paid for.

349. ACE Group's and Colon's actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

350. At least one Nebraska consumer paid \$55,000 to ACE Group for e-commerce store services as a result of ACE Group's deceptive, unfair, and unconscionable practices described herein.

**COUNTS LI THROUGH LIV: VIOLATIONS OF THE UNIFORM
DECEPTIVE TRADE PRACTICES ACT BY ACE AUTOMATION
GROUP LLC AND CARLOS E. COLON DE LA ROSA –
DECEPTIVE AND UNFAIR BUSINESS PRACTICES (Neb. Rev.
Stat. § 59-1602 *et seq.*)**

351. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

352. ACE Group and Colon are "persons" within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

353. ACE Group and Colon engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that their services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);

- b. Using or employing misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of its e-commerce automation services;
- c. Advertising services with an intent not to sell them as advertised; and
- d. Accepting payment for services they were unable or unwilling to provide.

354. ACE Group’s acceptance of funds for services it was unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01(1).

**COUNT LV: CORPORATE VEIL PIERCING AGAINST
DEFENDANT CARLOS E. COLON DE LA ROSA**

355. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

356. At all times relevant herein, ACE Group was under the actual control of Colon, who exercised his control to commit unjust acts in contravention of the rights of at least one Nebraska consumer.

357. In justice and fairness, ACE Group’s corporate form should be set aside and Colon should be held personally liable for ACE Group’s deceptive, unfair, and unconscionable acts and practices described herein.

**COUNTS LVI THROUGH LXIII: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY INSPIRED FREEDOM LLC
D/B/A ISOCIAL MARKETING LLC AND CHRISTOPHER CASEY
– DECEPTIVE AND UNFAIR BUSINESS PRACTICES (Neb.
Rev. Stat. § 59-1602 *et seq.*)**

358. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

359. iSocial and Casey are “persons” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

360. iSocial and Casey conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

361. iSocial and Casey engaged in deceptive and/or unfair acts

or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting commissions from payments made by Nebraska consumers for services the Dropshipping Defendants were unable or unwilling to provide;
- b. Claiming Nebraska consumers would receive refunds from the Dropshipping Defendants if they failed to recoup their start-up fees within a certain time period;
- c. Claiming the Dropshipping Defendants could help Nebraska consumers earn passive income online;
- d. Claiming the Dropshipping Defendants had proven systems in place that could reliably earn passive income for Nebraska consumers;
- e. Concealing the fact that Walmart and Amazon routinely rejected, suspended, or deactivated accounts tied to the Dropshipping Defendants;
- f. Concealing the fact that Walmart's third-party seller policies prohibited the use of third-party retailers to fill customer orders;
- g. Using social media posts to deceive Nebraska consumers into believing their luxury lifestyles were financed by their own automated e-commerce stores; and
- h. Using online publications to deceptively enhance their credibility in the minds of Nebraska consumers.

362. iSocial's and Casey's actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

363. iSocial and Casey received commissions from each of the payments made to the Dropshipping Defendants as a result of the deceptive and unfair business practices described herein.

**COUNTS LXIV THROUGH LXVIII: VIOLATIONS OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT BY
INSPIRED FREEDOM LLC D/B/A ISOCIAL MARKETING AND
CHRISTOPHER CASEY**

364. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

365. iSocial and Casey are “persons” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

366. iSocial and Casey engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that the Dropshipping Defendants’ services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of e-commerce store services;
- c. Advertising services with an intent not to sell them as advertised;
- d. Accepting commissions from payments made for services the Dropshipping Defendants were unable to provide; and
- e. Participating in a pyramid promotional scheme.

367. iSocial’s and Casey’s acceptance of funds for services the Dropshipping Defendants were unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01(1).

**COUNT LXIX: CORPORATE VEIL PIERCING AGAINST
CHRISTOPHER CASEY**

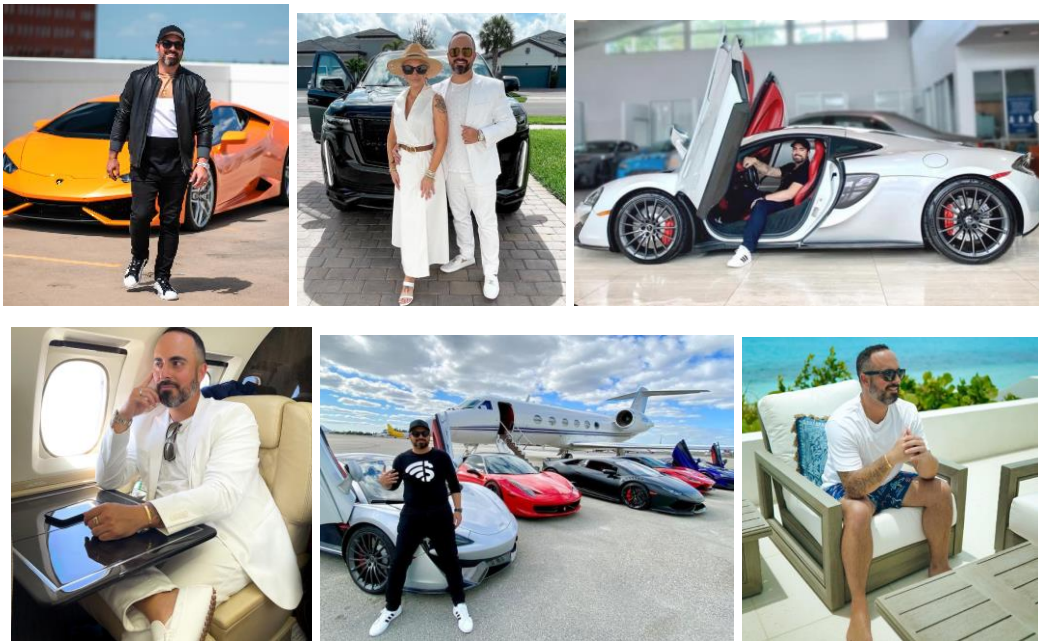
368. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

369. At all times relevant herein, iSocial was under the actual control of Casey, who exercised his control to commit unjust acts in contravention of the rights of Nebraska consumers.

370. Casey diverted company funds for his own personal use or to other entities he owned or controlled.

371. From February 2023 to present, as iSocial and Casey faced the specter of litigation from the many upset “clients” who failed to earn passive income through dropshipping, [REDACTED]

372. Despite the losses suffered by his “clients” in Nebraska, Casey has enjoyed dramatic improvements to his quality of life since partnering with WiFi Money:



373. iSocial’s corporate form is a mere façade for the personal dealings of Casey.

374. In justice and fairness, iSocial’s corporate form should be set aside and Casey should be held personally liable for iSocial’s deceptive, unfair, and unconscionable acts described herein.

**COUNT LXX: VIOLATIONS OF THE CONSUMER
PROTECTION ACT BY AEFRIESEN LLC – DECEPTIVE AND
UNFAIR BUSINESS PRACTICES (Neb. Rev. Stat. § 59-1602 (*et
seq.*))**

375. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

376. AEFriesen is a “person” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

377. AEFriesen conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

378. AEFriesen engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation, accepting commissions from payments made by Nebraska consumers for services the Dropshipping Defendants were unable or unwilling to provide.

379. AEFriesen’s actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

380. AEFriesen is estimated to have received at least [REDACTED] in commissions from the payments made by Nebraska consumers to the Dropshipping Defendants as a result of the deceptive and unfair business practices described herein.

**COUNTS LXXI THROUGH LXXV: VIOLATIONS OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT BY
AEFRIESEN LLC**

381. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

382. AEFriesen is a “person” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

383. AEFriesen engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that the Dropshipping Defendants' services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of e-commerce store services;
- c. Advertising services with an intent not to sell them as advertised;
- d. Accepting commissions from payments made for services the Dropshipping Defendants were unable to provide; and
- e. Participating in a pyramid promotional scheme.

384. AEFriesen's acceptance of funds for services the Dropshipping Defendants were unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01(1).

**COUNT LXXVI: CORPORATE VEIL PIERCING AGAINST
ELIZABETH FRIESEN**

385. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

386. At all times relevant herein, AEFriesen was under the actual control of Friesen, who exercised her control to commit unjust acts in contravention of the rights of Nebraska consumers.

387. Friesen diverted company funds for her own personal use or to other entities she owned or controlled.

388. Despite the millions in losses suffered by her "clients," Friesen spent company funds on designer clothing, a Cadillac Escalade, several vacations in exotic locales, and many other indulgences.

389. On information and belief, AEFriesen currently has no assets. AEFriesen's corporate form is a mere façade for the personal dealings of Friesen.

390. In justice and fairness, AEFriesen's corporate form should be set aside and Friesen should be held personally liable for her deceptive, unfair, and unconscionable acts described herein.

**COUNTS LXXVII THROUGH LXXXVII: VIOLATIONS OF THE
CONSUMER PROTECTION ACT BY WIFI MONEY, ELIZABETH
FRIESEN, ALEX MOELLER, AND CHRISTOPHER
FREDERICK – DECEPTIVE AND UNFAIR BUSINESS
PRACTICES (Neb. Rev. Stat. § 59-1602 *et seq.*)**

391. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

392. WiFi Money, Friesen, Moeller, and Frederick are “persons” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(1).

393. WiFi Money, Friesen, Moeller, and Frederick conducted “trade and commerce” within the meaning of the CPA, Neb. Rev. Stat. § 59-1601(2).

394. WiFi Money, Friesen, Moeller, and Frederick engaged in deceptive and/or unfair acts or practices in violation of the CPA, Neb. Rev. Stat. § 59-1602, by, without limitation:

- a. Accepting commissions from payments made by Nebraska consumers for services the Dropshipping Defendants were unable or unwilling to provide;
- b. Claiming Nebraska consumers would receive refunds from the Dropshipping Defendants if they failed to recoup their start-up fees within a certain time period;
- c. Claiming the Dropshipping Defendants could help Nebraska consumers earn passive income online;
- d. Claiming the Dropshipping Defendants had proven systems in place that could reliably earn passive income for Nebraska consumers;
- e. Claiming WiFi Money had a proven e-commerce automation system;

- f. Claiming WiFi Money had a “team of experts” that could help its clients earn passive income online;
- g. Concealing the fact that Walmart and Amazon routinely rejected, suspended, or deactivated accounts tied to the Dropshipping Defendants;
- h. Concealing the fact that Walmart’s third-party seller policies prohibited the use of third-party retailers to fill customer orders;
- i. Using social media posts to deceive Nebraska consumers into believing their luxury lifestyles were financed by their own automated e-commerce stores;
- j. Using online publications to deceptively enhance their credibility in the minds of Nebraska consumers; and
- k. Refusing to meaningfully assist with obtaining refunds for clients who paid the Dropshipping Defendants.

395. WiFi Money’s, Friesen’s, Moeller’s, and Frederick’s actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every advertisement, failure to disclose information, misrepresentation, and deceptive representation constitutes a separate and independent violation of the Consumer Protection Act. Neb. Rev. Stat. § 59-1602.

396. Upon information and belief, WiFi Money received at least [REDACTED] in commissions from payments made by Nebraska consumers as a result of the unfair and deceptive trade practices described herein.

**COUNTS LXXXVIII THROUGH XCII: VIOLATIONS OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT BY WIFI
MONEY, ELIZABETH FRIESEN, ALEX MOELLER, AND
CHRISTOPHER FREDERICK (Neb. Rev. Stat. § 87-301 *et seq.*) –
DECEPTIVE AND UNCONSCIONABLE BUSINESS PRACTICES**

397. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

398. WiFi Money, Friesen, Moeller, and Frederick are

“persons” within the meaning of the UDTPA, Neb. Rev. Stat. § 87-301(19).

399. WiFi Money, Friesen, Moeller, and Frederick engaged in deceptive and/or unconscionable trade practices in violation of the UDTPA, Neb. Rev. Stat. §§ 87-302 and 87-303.01 by, without limitation:

- a. Representing, expressly or by implication, that the Dropshipping Defendants’ services included certain characteristics or benefits that they did not have. Neb. Rev. Stat. § 87-302(a)(5);
- b. Using or employing deception, misrepresentation, unfair practice, or concealment, suppression, or omission of any material fact in connection with the advertisement and sale of e-commerce store services;
- c. Advertising services with an intent not to sell them as advertised;
- d. Accepting commissions from payments made for services the Dropshipping Defendants were unable or unwilling to provide; and
- e. Participating in a pyramid promotional scheme.

400. WiFi Money’s, Friesen’s, Moeller’s, and Frederick’s acceptance of funds for services the Dropshipping Defendants were unable or unwilling to provide constitutes an unconscionable act and practice in violation of Neb. Rev. Stat. § 87-303.01(1).

**COUNTS XCIII THROUGH XCVI: AIDING AND ABETTING
UNFAIR AND UNCONSCIONABLE BUSINESS PRACTICES
AGAINST WIFI MONEY, ELIZABETH FRIESEN, ALEX
MOELLER, CHRISTOPHER CASEY, JONATHAN SAWYER,
INSPIRED FREEDOM LLC D/B/A ISOCIAL MARKETING LLC,
J&K CAPITAL INVESTMENTS, LLC, AEFRIESEN LLC, AND
CHRISTOPHER FREDERICK**

401. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

402. Under Nebraska law, one who assists or aids and abets

another in the commission of a wrongful or unlawful act is responsible to an injured party for the entire loss or damage. *Bergman v. Anderson*, 226 Neb. 333, 411 N.W.2d 336 (1987).

403. Aiding and abetting does not require that there be an express agreement to commit the unlawful or wrongful act; mere encouragement or assistance is sufficient. *Id.*

404. WiFi Money, Friesen, Moeller, Frederick, Sawyer, J&K Capital, iSocial, and Casey aided and abetted the Dropshipping Defendants in their commission of wrongful acts by, without limitation:

- a. Facilitating payments to the Dropshipping Defendants for services they were unable or unwilling to provide;
- b. Recruiting consumers to pay for the Dropshipping Defendants' services through the use of deceptive and misleading social media advertising;
- c. Concealing material facts from consumers to induce them to wire funds to the Dropshipping Defendants; and
- d. Promising that consumers would receive refunds from the Dropshipping Defendants if they were dissatisfied with their services.

405. As a result of the encouragement and assistance from WiFi Money, Friesen, Casey, Moeller, Frederick, J&K Capital, iSocial, and Sawyer, Nebraska consumers paid at least [REDACTED] for services the Dropshipping Defendants were unable or unwilling to provide.

406. Under Nebraska law, WiFi Money, Friesen, Casey, Moeller, Frederick, J&K Capital, and Sawyer are each jointly and severally liable for the entire losses suffered as a result of the Dropshipping Defendants' wrongful acts described herein.

**COUNTS XCVII THROUGH XCVIII: CORPORATE VEIL
PIERCING AGAINST ALEX MOELLER AND CHRISTOPHER
FREDERICK**

407. The State of Nebraska re-alleges the facts above and incorporates them herein by reference.

408. At all relevant times, WiFi Money was under the actual

control of Moeller and Frederick, who exercised their control to commit unjust acts in contravention of the rights of Nebraska consumers.

409. Frederick and Moeller diverted company funds for their own personal use or to other entities they owned or controlled.

410. As Nebraska consumers reeled following their ill-fated decision to trust Friesen and WiFi Money with their savings, Frederick and Moeller purchased a private jet, designer clothing, multi-million-dollar mansions, high-end cars, and enjoyed luxury vacations:





411. In a video posted to WiFi Money’s YouTube account in September 2022, WiFi Money claimed Moeller “paid \$70,000 to join the mile high club!!”

412. In another video posted to WiFi Money’s YouTube account in December 2021, WiFi Money claimed Moeller “spen[t] \$1,000,000 [in New York City] in 24 hours!!!”

[REDACTED]

414. WiFi Money’s corporate form is a mere façade for the personal dealings of the company’s owners.

415. In justice and fairness, WiFi Money’s corporate form should be set aside and its owners should be held personally liable for WiFi Money’s deceptive, unfair, and unconscionable acts and practices described herein.

PRAYER FOR RELIEF

WHEREFORE, the State of Nebraska requests that this Court:

- A. Permanently enjoin and restrain Defendants, their agents, employees, and all other persons and entities, corporate or otherwise, in active concert or participation with any of them, from engaging in conduct described in the Complaint to be in violation of the Consumer Protection Act, pursuant to Neb. Rev. Stat. § 59-1608(1).
- B. Permanently enjoin and restrain Defendants, their agents, employees, and all other persons and entities, corporate or

otherwise, in active concert or participation with any of them, from engaging in unfair or deceptive acts or practices, in violation of the Consumer Protection Act, pursuant to Neb. Rev. Stat. § 59-1608(1).

- C. Permanently enjoin and restrain Defendants, their agents, employees, and all other persons and entities, corporate or otherwise, in active concert or participation with any of them, from engaging in conduct described in the Complaint to be in violation of the Uniform Deceptive Trade Practices Act, pursuant to Neb. Rev. Stat. § 87-303.05.
- D. Permanently enjoin and restrain Defendants, their agents, employees, and all other persons and entities, corporate or otherwise, in active concert or participation with any of them, from engaging in deceptive acts or practices, in violation of the Uniform Deceptive Trade Practices Act, pursuant to Neb. Rev. Stat. § 87-303.05.
- E. Order Defendants to pay civil penalties for each violation of the Consumer Protection Act and the Uniform Deceptive Trade Practices Act pursuant to Neb. Rev. Stat. §§ 87-303.11 and 59-1614.
- F. Order Defendants to restore to every person any money acquired by Defendants as a result of their violations of the Consumer Protection Act and the Uniform Deceptive Trade Practices Act pursuant to Neb. Rev. Stat. §§ 59-1608(2) and 87-303.05(1).
- G. Order Defendants to pay the State's costs and attorney's fees in this matter pursuant to Neb. Rev. Stat. §§ 59-1608(1) and 87-303(b).
- H. Order any other relief that the Court deems just and equitable.

DATED this 12th day of November, 2024.

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